

A person in a dark suit is walking away from the viewer down a long, symmetrical aisle of server racks. The racks are filled with numerous server units, each with a small red indicator light. The floor is a dark, reflective surface. At the far end of the aisle, a bright, warm light emanates from an opening, creating a strong silhouette effect on the person and casting a long, glowing path on the floor. The overall color palette is dominated by deep blues, purples, and reds, with the warm light at the end providing a focal point.

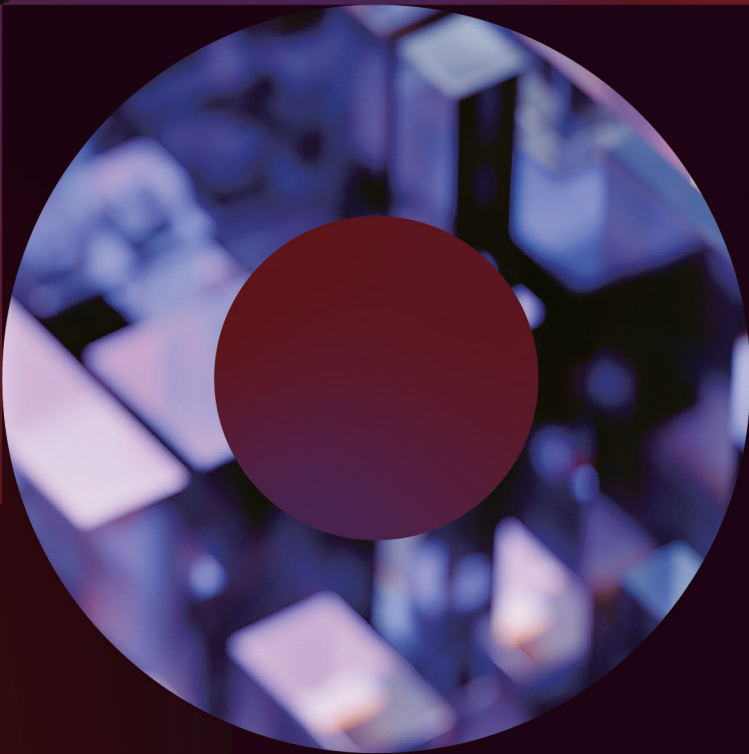
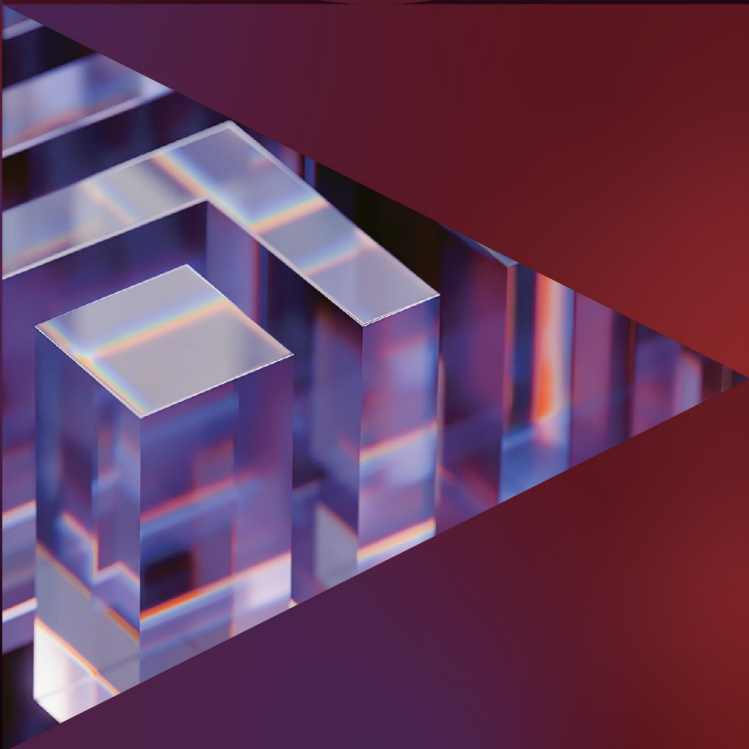
# Smarter technology for all

Lenovo

HKD COUNTER STOCK CODE 992  
RMB COUNTER STOCK CODE 80992

**Lenovo Group Limited**  
2025/26 Annual Report







# About Lenovo

Lenovo<sup>1</sup> is a US\$83 billion revenue global technology powerhouse, ranked #196 in the Fortune Global 500, and serving millions of customers every day in 180 markets. Guided by its **vision** of “Smarter Technology for All”, Lenovo is executing a **Hybrid AI strategy** that spans Personal AI — one personal AI, multiple devices; and Enterprise AI — helping customers turn data into insights and value. This strategy is delivered through the Group’s commitment to **world-class innovation** and a full-stack AI portfolio, including devices (PCs, workstations, smartphones, tablets, accessories), infrastructure solutions (server, storage, edge, high performance computing and software defined infrastructure), as well as software, solutions, and services. With a global footprint spanning more than 20 research and development locations and a global supply chain that includes more than 30 manufacturing sites across 10 markets, Lenovo is widely recognized for its **operational excellence**. Lenovo is listed on the Hong Kong Stock Exchange under Lenovo Group Limited (HKSE: 992) (ADR: LNVGY). Learn more at [www.lenovo.com](http://www.lenovo.com) and follow the latest news in our newsroom.

## Table of content

|                                                |     |
|------------------------------------------------|-----|
| Financial highlights                           | 4   |
| Chairman and CEO statement                     | 8   |
| Lenovo management team                         | 12  |
| Management’s discussion and analysis           | 16  |
| Corporate governance report                    | 58  |
| Audit committee report                         | 118 |
| Compensation committee report                  | 125 |
| Directors’ report                              | 142 |
| Independent auditor’s report                   | 168 |
| Consolidated income statement                  | 173 |
| Consolidated statement of comprehensive income | 174 |
| Consolidated balance sheet                     | 175 |
| Consolidated cash flow statement               | 177 |
| Consolidated statement of changes in equity    | 179 |
| Notes to the financial statements              | 181 |
| Five-year financial summary                    | 267 |
| Corporate information                          | 268 |

<sup>1</sup> Lenovo or “Lenovo Group” or the “Group” refers to Lenovo Group Limited together with its subsidiaries. Lenovo Group Limited (“The Company”) is the ultimate holding company of Lenovo Group. As a holding company, it does not design, develop, manufacture, or distribute products or services, or control any activities of the Company’s subsidiaries in the design, development, manufacture, or distribution of products or services.





# Lenovo innovation working at the speed of imagination

## Lenovo and DreamWorks — Pairing cinematic ambition with an industrial-strength technology backbone

As DreamWorks' preferred compute services, solutions, and workstation provider, Lenovo supports every stage of the production process. DreamWorks' films are built from scratch in CG, demanding massive compute, fast iteration, and relentless reliability. Lenovo answers that brief with an end-to-end ecosystem spanning artist workstations, high-performance data center infrastructure, and services that keep production moving.

On the production floor, Lenovo professional workstations empower artists to iterate in real time, enabling flexibility and performance across evolving workflows. Behind the scenes, DreamWorks' rendering and simulation workloads run on Lenovo ThinkSystem™ servers and HPC infrastructure. A standout innovation is Lenovo Neptune™ liquid cooling, which has delivered roughly a 20% performance uplift versus traditional air-cooled environments—boosting render speeds, enabling tighter iteration loops, and improving efficiency within existing data center constraints.

What makes the partnership truly distinctive is the services-led operating model. With Lenovo TruScale™ Infrastructure as a Service, DreamWorks can scale on-prem compute capacity in step with production cycles—while retaining control, security, and data sovereignty—supported by proactive monitoring and managed services. This approach simplifies operations while aligning infrastructure more closely to the dynamic needs of production.

Lenovo is also supporting DreamWorks' next chapter with AI-enabled solutions that extend across the environment—from workstation to data center. Focused on workflow and pipeline optimization rather than image generation, this work reflects DreamWorks' commitment to responsible AI use. Lenovo is helping enable smarter asset discovery and indexing, along with predictive analytics and intelligent workflow management that reduce friction and support the teams behind every production.





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# Financial highlights

| For the year ended March 31                                   | 2026<br>US\$ million | 2025<br>US\$ million | Year-on-year<br>change |
|---------------------------------------------------------------|----------------------|----------------------|------------------------|
| <b>Group results</b>                                          |                      |                      |                        |
| Revenue                                                       | <b>83,075</b>        | 69,077               | 20%                    |
| Gross profit                                                  | <b>12,809</b>        | 11,098               | 15%                    |
| Gross profit margin (%)                                       | <b>15.4</b>          | 16.1                 | (0.7) pts              |
| Operating expenses                                            | <b>(9,547)</b>       | (8,934)              | 7%                     |
| Expense-to-revenue ratio (%)                                  | <b>11.5</b>          | 12.9                 | (1.4) pts              |
| Profit before taxation                                        | <b>2,670</b>         | 1,481                | 80%                    |
| Profit before taxation margin (%)                             | <b>3.2</b>           | 2.1                  | 1.1 pts                |
| Profit attributable to equity holders of the Company          | <b>1,912</b>         | 1,384                | 38%                    |
| EPS — basic (US cents)                                        | <b>15.63</b>         | 11.30                | 4.33                   |
| EPS — diluted (US cents)                                      | <b>13.91</b>         | 10.62                | 3.29                   |
| Interim dividend per share (HK cents)                         | <b>8.5</b>           | 8.5                  | –                      |
| Final dividend per share (HK cents) <sup>1</sup>              | <b>33.7</b>          | 30.5                 | 3.2                    |
| Total dividend per share (HK cents)                           | <b>42.2</b>          | 39.0                 | 3.2                    |
| <b>Group results (non-HKFRS measures)</b>                     |                      |                      |                        |
| EBITDA                                                        | <b>5,015</b>         | 3,874                | 29%                    |
| EBITDA margin (%)                                             | <b>6.0</b>           | 5.6                  | 0.4 pts                |
| Adjusted operating profit                                     | <b>3,125</b>         | 2,454                | 27%                    |
| Adjusted profit before taxation                               | <b>2,651</b>         | 1,815                | 46%                    |
| Adjusted profit for the year                                  | <b>2,118</b>         | 1,504                | 41%                    |
| Adjusted profit attributable to equity holders of the Company | <b>2,049</b>         | 1,441                | 42%                    |
| Adjusted net profit margin (%)                                | <b>2.5</b>           | 2.1                  | 0.4 pts                |
| <b>Cash and working capital</b>                               |                      |                      |                        |
| Bank deposits and cash and cash equivalents                   | <b>4,983</b>         | 4,817                | 3%                     |
| Total borrowings                                              | <b>(4,741)</b>       | (5,368)              | (12)%                  |
| Net cash/(debt)                                               | <b>242</b>           | (551)                | 793                    |
| Cash conversion cycle (days)                                  | <b>17</b>            | 2                    | 15                     |

Note:

<sup>1</sup> Subject to shareholders' approval at the forthcoming annual general meeting.



# Key business highlights

FY25/26 Revenue

**\$83.1B** +20% YoY

FY25/26 Adjusted Net Income<sup>1</sup>

**\$2.0B** +42% YoY

FY25/26 AI-Related Revenue<sup>2</sup>

**33%** of Group total,  
+105% YoY

**Record Dividend<sup>3</sup>**

HK42.2 cents per share  
+8% YoY

Global PC Market Share<sup>4</sup>

**#1**

in Commercial PC, Consumer PC,  
AI PC, Premium & Gaming PC

**Top 3**

Global server market share ranking<sup>4</sup>

**\$19.2B**

ISG Full Year Revenue, +32% YoY  
Full year profitable

SSG Revenue Mix<sup>5</sup>

**62%**

from Managed Services and  
Project & Solutions

1. Adjusted net income excludes non-controlling interests

2. AI-related revenue includes revenue from AI PC, AI smartphone, AI server, and AI services

3. FY25/26 proposed final dividend is subject to shareholders' approval at the forthcoming annual general meeting

4. Source IDC: 1Q CY2026

5. In 4Q FY25/26





# Lenovo powers a stage big enough for the world

As the Official Technology Partner of FIFA, Lenovo is powering the biggest event in the history of humanity; the FIFA World Cup 2026™.

As sole official technology partner, Lenovo has been entrusted to deliver the tournament's end-to-end technology backbone through solutions and infrastructure that only we can provide.

With failure not an option, FIFA trust Lenovo AI solutions, Lenovo's proven hardware and Lenovo's big moment expertise to deliver the event for 48 teams and six billion fans watching across the globe. AI PCs, full-stack Hybrid AI infrastructure and custom-built equipment data hubs ensure the tournament runs like clockwork.

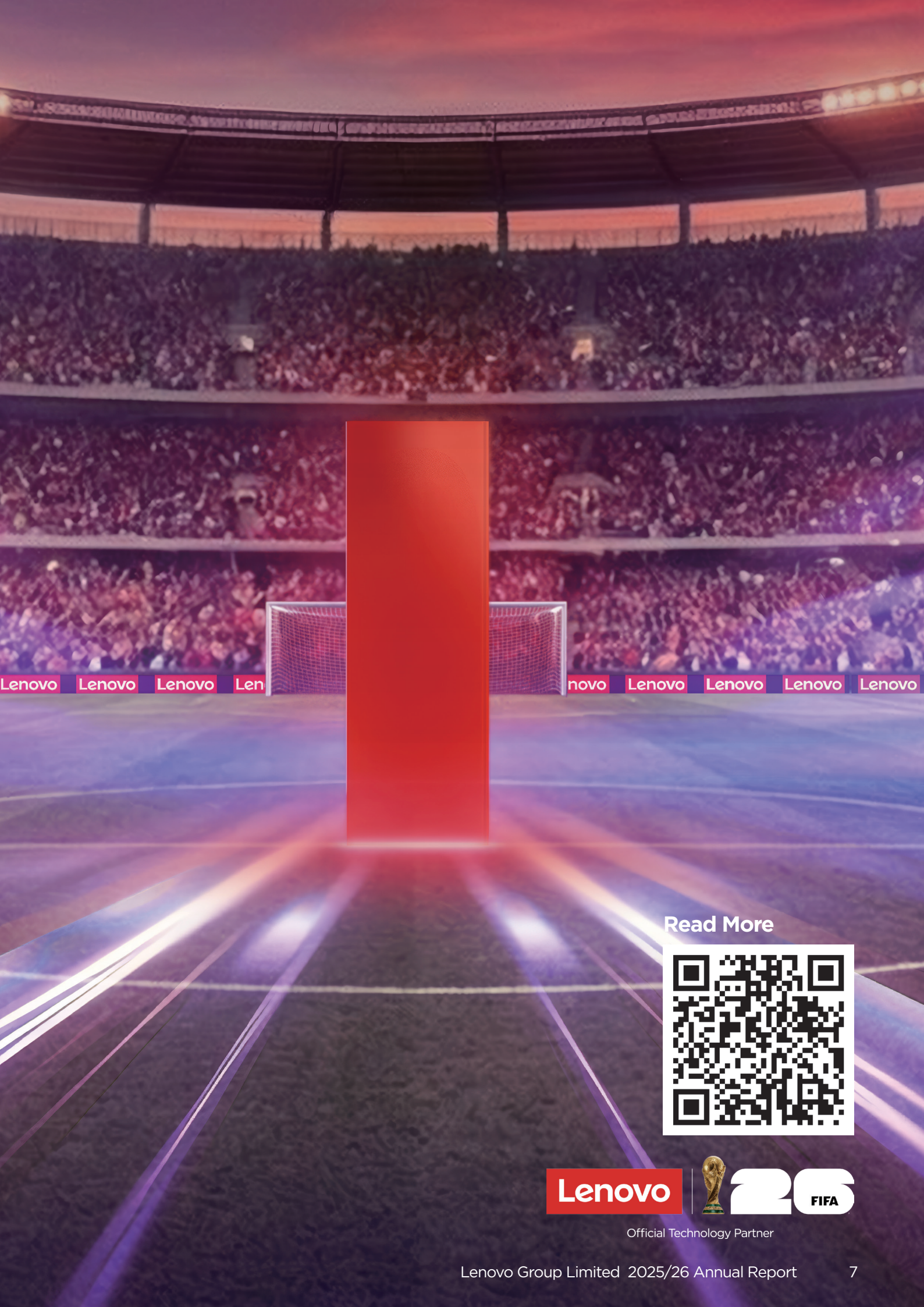
Fans will enjoy the FIFA World Cup™ like never before, in stadiums, in their homes & on the move, thanks to new experiences powered by Lenovo AI. Digital Avatars will

provide greater context and understanding in the moments that matter, whilst Referee View will give fans an unique viewpoint of the action in real-time.

Lenovo and FIFA will provide unprecedented access to data and analysts for all the teams competing at the FIFA World Cup 2026™ through FIFA AI Pro, a specialized football interaction tool, which orchestrates multiple agents to scour millions of data points, analyze over 2,000 different metrics and deliver rapid insights. Never before has this much data been available to so many.

The FIFA World Cup™ is the biggest possible stage and Lenovo has been entrusted with the responsibility of delivering the technology that powers it.





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Official Technology Partner



# Chairman & CEO Statement

As we close fiscal year 2025/2026, I am pleased to share with you our record results and milestones achieved in strengthening our leadership in Hybrid AI. I believe Lenovo is well positioned to seize the AI democratization opportunity to deliver growth and create value for our shareholders.





## The Best Year in Lenovo's History

The fiscal year we just concluded has been the best year in Lenovo's history. We delivered record revenue and substantial growth in Net Income. Particularly noteworthy was our AI revenue, which increased significantly to become Lenovo's leading growth engine.

Our **intelligent devices business** continued to lead the global PC market with record market share. Lenovo is now the global leader in AI PCs while expanding fast in the smartphone market. Our **infrastructure solutions business** delivered hypergrowth and significant improvement in its bottom line, successfully repositioned as another engine for growth and profitability while capturing the AI inferencing opportunity. Our **solutions and services business** achieved high growth at high profitability with strong customer retention and satisfaction and continues to build AI solutions for selected vertical industries and horizontal functions.

There are two key pillars behind these achievements. First, an unwavering commitment to **innovation**. We had an epic Tech World @ CES at the Sphere in Las Vegas, where we showcased our Hybrid AI vision, strategy and innovation. We were joined by ecosystem partners spanning across the entire tech industry and beyond. This event helped elevate Lenovo's brand perception from primarily a PC leader to full-stack AI leader.

The other pillar is our operational excellence. Even amid ever-changing tariffs and industry-wide supply shortages, we have proven our ability to leverage our global footprint and resilient operations to navigate the situation effectively with one of the best supply chains in the world, delivering on every commitment we made to market consistently. And we continue to unleash the power of technology to make a positive impact on our communities and our planet.



# Chairman & CEO Statement

## Establishing Hybrid AI Leadership

Over the past decade, AI has advanced more profoundly than any technology we have seen before. Propelled first by computing and models, AI development today is largely driven by data, especially private data. This marks a whole new era of AI democratization, an unprecedented opportunity that Lenovo is determined to seize.

That is why Lenovo is committed to becoming an AI-native company. Every product we make, every solution we build and every service we deliver will be designed with an AI-native perspective.

Our priorities are clear. In **Personal AI**, we continue to focus on our strategy of “One Personal AI, Multiple Devices,” with Lenovo Qira, our Personal AI Super Agent, at its core. We are shipping Qira-embedded devices to deliver a whole new level of personal AI experience while expanding its ecosystem with more applications. We are also developing more AI-native devices, including wearables, new form factors of PCs and smartphones, and personal computing hubs that enable high-performance, scalable AI compute for personal use.

In **Enterprise AI**, we continue to unleash the Lenovo Hybrid AI Advantage to help enterprise customers turn their operational data into insights and value. This involves strengthening our infrastructure business across Client-Edge-Cloud to capture the on-prem and at-edge AI inferencing opportunity. Furthermore, in our selected vertical industries including manufacturing, retail, and sports, we are building and deploying scalable, repeatable solutions across an expanded customer base.



Lenovo has a big role to play in 2026 to power the FIFA World Cup in Americas and 22 Formula 1 Grands Prix worldwide as the official technology partner, unleashing the potential of our technology to support the teams and bring the best viewing experience to fans around the world while landing our strategy and promoting our brand.

It's clear that the past fiscal year was a great start of Lenovo's AI decade. As we now embrace a new era of AI democratization, Lenovo will continue to innovate, lead change and act boldly. Just as once we brought PC to everyone, this time, we will make AI available and accessible to every individual and every enterprise.

A handwritten signature in white ink, appearing to read 'Y. Yang', is positioned above the printed name and title.

Yuanqing Yang  
Chairman and CEO  
Lenovo

### **Yang Yuanqing**

Chairman and  
Chief Executive Officer

### **David C. Carroll**

Senior Vice President  
and Chief Legal  
and Corporate  
Responsibility Officer

### **Winston Cheng**

Senior Vice President  
and Chief Financial  
Officer

### **Gao Lan**

Senior Vice President  
and Human Resources



### **Liu Jun**

Executive Vice President  
and President of the China  
Geography

### **Qiao Jian**

Senior Vice President  
and Chief Strategy Officer  
and Chief Marketing  
Officer

# Lenovo management team



### **Ashley Gorakhpurwalla**

Executive Vice President  
and President of the  
Infrastructure Solutions  
Group



### **Tolga Kurtoglu**

Senior Vice President  
and Chief Technology  
Officer



### **Luca Rossi**

Executive Vice  
President and President  
of the Intelligent  
Devices Group

### **Che Min (Jammi) Tu**

Senior Vice President  
and Group Operations  
Officer

### **Ken Wong**

Executive Vice President  
and President of the  
Solutions & Services Group

### **Matthew Zielinski**

Executive Vice President  
and President of the  
International Sales  
Organization

# Lenovo AI solutions: enabling AI factory deployment at scale

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## Lenovo is helping customers accelerate deployment of AI factories designed to support increasingly demanding AI workloads.

This is reflected in its work with Nscale, an AI infrastructure provider building a new AI factory in Iceland to support scalable and sustainable AI deployment. Nscale selected Lenovo and NVIDIA to help deploy the site, with the goal of improving the responsiveness of its AI solutions and reducing time to value for customers.

As demand for AI solutions has increased, Nscale sought high-performance infrastructure that could be deployed quickly and efficiently to support complex AI workloads. For Nscale, a key performance benchmark is time-to-first-token (TTFT), which it identifies as an important measure of system responsiveness and operational readiness. Nscale emphasized the importance of a standardized, modular approach to AI factory design to bring capacity online faster and get GPUs into customers' hands more quickly.

Lenovo supported the project through its AI infrastructure solutions, deployment capabilities, and services, helping Nscale implement a repeatable architecture for its Iceland AI factory. The engagement includes Lenovo deployment and managed services, and Nscale cited Lenovo and NVIDIA's ready-to-use components, expert guidance, and industrialized build processes as important factors in accelerating deployment. Nscale also highlighted that the resulting architecture can be rapidly and cost-effectively replicated across future sites as its business grows.

The project demonstrates Lenovo's role in helping customers deploy scalable AI factories with greater speed, repeatability, and operational efficiency, while supporting next-generation AI innovation.



# Management's discussion & analysis



## 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.

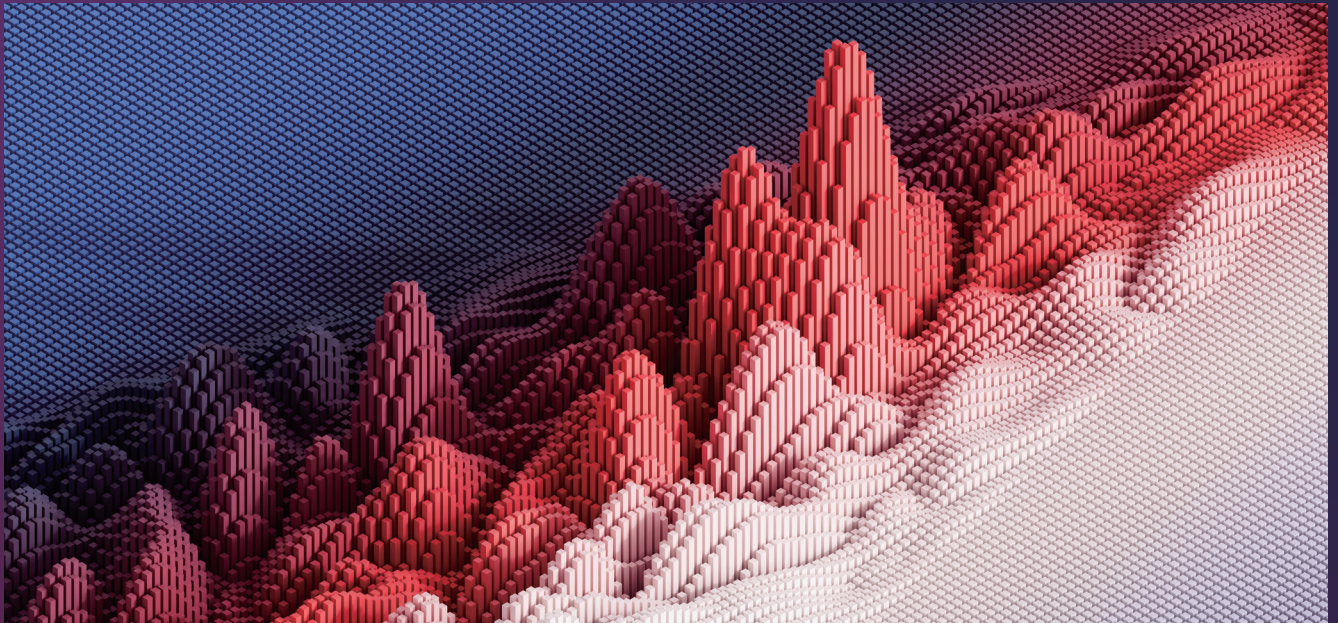
Adjusted operating and net margins expanded to 3.8 percent and 2.5 percent respectively, supported by operating efficiency gains across the Group, disciplined execution, and continued innovation. The Group remains fully committed to accelerating profitability through higher scale, disciplined execution, 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.

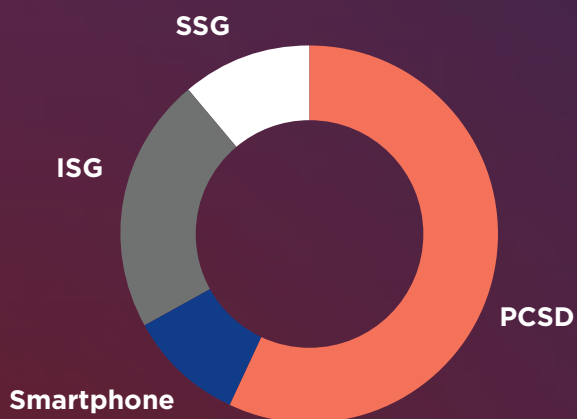
The Group further expanded market share across PCs, smartphones, infrastructure, services, and solutions. IDG delivered revenue growth of 17 percent year-on-year with a stable operating margin of 7.2 percent, supported by leadership in AI PCs, premium PCs, gaming PCs, and growth in adjacencies. ISG delivered 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<sup>1</sup> and revenue growing at approximately four times the IT services industry growth rate.

<sup>1</sup> Operating profit growth from FY20/21 to FY25/26.





## FY25/26 Revenue by Business Segment\*



\* Revenue before eliminations

## 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.

# Management's discussion & analysis

## 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.

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 global top three server vendors<sup>1</sup>, 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.

<sup>1</sup> Source IDC: 1Q CY2026



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.

# Management's discussion & analysis

## Corporate Strategy Highlights

Guided by our mission to be the Leader and Enabler of Intelligent Transformation, Lenovo has upgraded our “3S strategy” (Smart IoT, Smart Infrastructure, Smart Solutions), with clear strategy execution blueprint toward Lenovo AI Twins. Our clear strategy, operational excellence, and leading innovation enabled us to deliver record financial performance, strengthen our market leadership, and establish Lenovo as a pioneer in Hybrid AI.

In Smart IoT, guided by our “One Personal AI across multiple devices” strategy, we further solidified our leadership in AI devices, with an undisputed leading position in AI PC. At the same time, we are actively expanding into next-generation AI-native form factors, including the Maxwell AI Pin showcased at Tech World, while accelerating agent deployment across our device portfolio. At the agent level, we achieved a major milestone with the launch of Qira, marking a critical step toward building a unified AI entry point across devices. Meanwhile, Tianxi continued to evolve rapidly, driving stronger user engagement and stickiness in China. Together, these advancements position us at the forefront of Personal AI.

In Smart Infrastructure, we built a stronger business foundation with solid transformation progress, AI momentum, and enhanced execution. In the CSP segment, we deepened our relationship with key hyperscalers and expanded customer base. At the same time, our high-velocity transformation in the ESMB segment yielded profitable growth. As a result, we achieved record revenue and full-year breakeven. Meanwhile, our continued investment in AI is translating into a new growth engine, with rapid progress in GPU servers. The acquisition of Infinidat further strengthened our capabilities for the AI era, adding high-end storage capabilities and broadening our portfolio. With this enhanced foundation, we are well positioned to capture the accelerating demand for AI infrastructure.

Smart Solutions continued to serve as the key margin contributor, delivering high-margin and solid growth throughout the year. We are continuously enriching Hybrid AI Advantage by strengthening our focused vertical expertise and building more repeatable solutions, while our xIQ tech platforms provide the foundation to operationalize AI at enterprise scale. Together, these efforts will enable us to capture the growing demand for Enterprise AI.

Looking ahead, we will face a highly volatile environment, with supply chain disruptions, geopolitical tensions, and a rapidly evolving AI landscape. Despite this, we stand on a stronger and more future-ready foundation:

1. We have built a more solid business foundation, with expanded leadership in devices and strong progress in ISG transformation, now delivering both scale and improving profitability.
2. We are leading in Hybrid AI and have developed a clear strategy and execution blueprint to guide our next phase of growth.
3. Our strong global-local model enable us to navigate market turbulence with resilience and agility.
4. Our core pillars — operational excellence and leading innovation — are stronger than ever, providing sustained competitive advantage.

With the strong foundation we built over the past year, we are confident to further enhance our competitiveness and win in the Hybrid AI era.

## Human resources

By the end of FY2025/26, the Group had a headcount of approximately 73,500 worldwide. The Group implements remuneration policy, bonus, employee share purchase plan and long-term incentive scheme with reference to the performance of the Group and individual employees. The Group also provides benefits such as insurance, medical and retirement funds to employees to sustain competitiveness of the Group.



## Lenovo group material risks

Effective risk management is essential to Lenovo Group's long-term success, particularly in today's dynamic and increasingly complex business environment.

This section highlights the key risks the Group considers material — those that could significantly affect its operations, financial performance, or strategic objectives. Each risk includes a summary of its potential impact and the mitigation strategies the Group has in place.

These risks are not exhaustive. Like all global enterprises, Lenovo is also exposed to general business risks not individually detailed here. Furthermore, the nature and significance of risks may evolve over time due to changes in market conditions, technology, regulatory requirements, or the Group's global operations.

These risks are embedded within Lenovo's broader governance, compliance, and internal control frameworks, ensuring they are proactively identified, assessed, and managed at all levels of the organization.

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <b>Strategic Risks</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <i>Competition</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Lenovo operates in a highly competitive industry characterized by rapid technological advances in hardware, software and services, as well as evolving customer preferences. The Group faces strong competition in product offerings, pricing, and innovation from both established players and new market entrants. Failure to differentiate effectively or respond to competitive pressures could adversely affect market share and profitability.                                                                                                                                                                                                                                                                                                                                                                                                                             | The Group closely monitors market trends and competitive dynamics. It invests in research and development (R&D) to enhance product innovation and differentiation, broadens its portfolio of products and services, strengthens brand positioning, and prioritizes customer experience to support business growth.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <i>Innovation</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Continual innovation is critical to Lenovo's competitiveness and long-term growth. In an environment of fast-moving technology, the inability to develop and commercialize new products, solutions and services in a timely and cost-effective manner, or to anticipate and respond to evolving customer needs, may weaken the Group's competitive position and constrain future growth opportunities. The accelerating adoption of Artificial Intelligence (AI) is reshaping the technology landscape and intensifying competitive pressures across devices, infrastructure and solutions. As competitors increase investments in AI capabilities and innovation, Lenovo must continue to execute its Hybrid AI strategy, deliver differentiated offerings and maintain leadership across its portfolio to capture emerging opportunities and sustain long-term value creation. | <p>Innovation is embedded in Lenovo's strategy and supported by sustained investment in research and development, with a focus on delivering products, solutions and services that address evolving customer needs. Guided by its mission to be the Leader and Enabler of Hybrid AI Transformation, Lenovo executes its upgraded 3S strategy across Smart IoT, Smart Infrastructure and Smart Solutions. This strategic framework supports innovation across the Group's portfolio and enables the approach to development of differentiated and future-ready offerings. Strategic partnerships, acquisitions and ecosystem collaborations further strengthen the Group's innovation capabilities and access to emerging technologies.</p> <p>To capture opportunities arising from the growing adoption of AI, Lenovo continues to expand its portfolio of AI-enabled devices, infrastructure and solutions through targeted investments and a structured approach to innovation. This approach is underpinned by Lenovo's vision of "Smarter AI for All" vision and its Hybrid AI strategy, which integrates AI capabilities across client, edge, cloud and network environments to deliver scalable secure and responsible solutions.</p> |

# Management’s discussion & analysis

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| <p><i>Business Transformation</i></p> <p>Lenovo is executing an Intelligent Transformation strategy — evolving from a predominantly hardware-centric business to a solutions- and services-led model with AI embedded across products, platforms, and internal operations. This transformation spans new business models and organizational capabilities across Smart IoT, Smart Infrastructure, and Smart Verticals, supported by enterprise initiatives to modernize technology platforms and upskill talent for AI-enabled ways of working. The scale and pace of this transformation introduce execution risks, including consistency of delivery, integration of people, processes, and systems, and the ability to scale new capabilities globally.</p> <p>Additional challenges include scaling AI responsibly, aligning the business and go-to-market approaches, and maintaining product and service quality during transition. Failure to execute effectively could affect growth and margin mix.</p>                                                                            | <p>Lenovo’s transformation is anchored in its services-led approach and 3S strategy, guiding business model evolution and operational integration. Execution is supported through clear strategic priorities, cross-functional coordination, and targeted investment in leadership, systems, and capabilities. Robust IT and data governance enable scalable, secure platforms align with transformation goals. The Group’s enterprise-wide AI strategy supports efficiency, decision-making, and digital enablement, while structured change management and talent programs help embed new ways of working. Together, these efforts strengthen Lenovo’s agility, operational resilience, and ability to deliver sustainable growth.</p> |
| <p><i>Mergers and Acquisitions (M&amp;A)</i></p> <p>From time to time, Lenovo undertakes mergers or acquisitions to complement its business strategy. However, potential acquisitions involve risks related to adverse economic conditions, volatile capital markets, regulatory uncertainty, geopolitical developments, and rapid technological changes including in emerging areas such as Artificial Intelligence (AI). The fast-evolving nature of AI and the impact on the broader technology ecosystem may increase complexity of assessing target companies, including their technological capabilities and long-term strategic fit. In addition, heightened market competition has contributed to elevated valuations for AI-related targets, increasing the risk of overpayment. If due diligence is insufficient or assumptions prove inaccurate, acquisitions may lead integration challenges, or failure to realize anticipated synergies. This could adversely affect the Group’s financial performance, including potential impairment of goodwill or intangible assets.</p> | <p>Lenovo conducts rigorous due diligence to evaluate strategic fit, financial viability, and technologies capabilities of potential targets, including in key areas such as AI. All transactions are subject to established governance and approval processes. Post-acquisition reviews are conducted periodically to monitor the integration and performance of these investments.</p> <p>For additional detail, see “Notes to the Financial Statements” (pages 209–210) and “Key Audit Matters” (page 169).</p>                                                                                                                                                                                                                       |



| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><i>Global Operating Environment</i></p> <p>Lenovo's global operations expose the Group to a broad range of external uncertainties, including macroeconomic volatility, geopolitical tensions, evolving regulatory environments, and public health or environmental events.</p> <p>Geopolitical risks, such as cross-border trade restrictions, export controls, data localization mandates, and changing diplomatic or security relations, may disrupt Lenovo's global supply chain, limit access to key markets, or affect its ability to operate efficiently across jurisdictions.</p> <p>These factors can increase operational costs, dampen customer demand, or delay business execution. In some cases, external risks may also amplify challenges in strategic areas such as M&amp;A, investment planning, or organizational structure.</p> | <p>Lenovo Group has diversified its geographical footprint to reduce exposure to any single market. It monitors global economic, political, and regulatory developments to anticipate and respond to emerging risks in its operating environment.</p> <p>The Group incorporates geopolitical and macroeconomic factors into its strategic planning, market prioritization, and supply chain decisions.</p> <p>Mitigation efforts related to external uncertainties are also embedded in other areas of Lenovo's risk management program, such as business continuity planning, regulatory compliance, supply chain diversification, and cybersecurity, which are detailed elsewhere in this risk section.</p> |

# Management's discussion & analysis

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| <p><b>General Legal, Regulatory &amp; Compliance</b></p> <p>Lenovo operates in a broad range of jurisdictions and is subject to diverse and evolving legal and regulatory requirements. Additionally, the global regulatory environment is increasingly complex. New laws, heightened enforcement, or changes in government policy may affect Lenovo's ability to operate efficiently, serve customers, or manage supplier relationships. Non-compliance, whether due to error or misconduct, could lead to financial penalties, operational disruptions, reputational damage, or regulatory restrictions.</p> <p>While not exhaustive, the following examples reflect some of the most significant legal and compliance risks currently monitored by the Group:</p> <ul style="list-style-type: none"> <li>• Compliance with anti-bribery and anti-corruption laws, including the actions of employees and third-party representatives;</li> <li>• Risks related to ethical breaches or misconduct, including conflicts of interest, fraud, or violations of the Lenovo Code of Conduct;</li> <li>• Trade compliance, including adherence to import/export laws and restrictions across key jurisdictions such as the U.S. and China;</li> <li>• Adherence to product safety compliance and certification requirements, and legal obligations governing the sale and distribution of products and services;</li> <li>• Privacy and data protection risks, including the collection, processing, transfer, sharing and safeguarding of personal, proprietary, and device-level data;</li> <li>• Compliance with competition and antitrust laws;</li> <li>• Alignment with ESG-related regulations and disclosure standards.</li> </ul> | <p>The Group actively manages these legal and regulatory risks through a comprehensive compliance framework led by the Legal department in collaboration with key stakeholders across the organization.</p> <p>Key elements of this framework include:</p> <ul style="list-style-type: none"> <li>• Ethics and compliance culture: Development and maintenance of a strong compliance culture supported by robust policies, procedures, and mandatory training on Lenovo's Code of Conduct.</li> <li>• Whistleblowing and investigations: Implementation of Lenovo's Whistleblowing and Investigations Policy, providing clear protocols for raising, reviewing, and investigating concerns or suspected misconduct.</li> <li>• Third-party due diligence and contract oversight: Risk-based due diligence is conducted before entering business relationships with third parties, alongside effective contract management practices to help ensure compliance across engagements.</li> <li>• Data privacy and protection governance: Strong privacy, security, data protection, and AI governance frameworks-including policies, standards, processes, and training-to ensure the responsible use, transfer, sharing and safeguarding of proprietary, personal, and device-level data.</li> <li>• Regulatory monitoring: Ongoing monitoring of legal and regulatory developments to ensure compliance with applicable laws and evolving requirements.</li> <li>• Governance and oversight: Compliance activities, including those related to ESG requirements, are subject to oversight by Lenovo's executive leadership and relevant Board committees, supported by internal assurance functions such as Internal Audit and Enterprise Risk Management.</li> </ul> |



| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p><i>Artificial Intelligence (AI) Compliance</i></p> <p>Artificial Intelligence (AI) is fundamentally reshaping the global technology landscape. As the use of AI accelerates, governments and regulators worldwide are focused on how these technologies are developed, deployed and governed.</p> <p>In this rapidly evolving environment, the Group faces risks related to the alignment of the usage of AI in products, services and internal operations with emerging laws, standards, and ethical expectations. Non-compliance may lead to loss of market access, legal or regulatory sanctions, reputational damage, or reduced customer trust and adoption.</p>                                                                       | <p>Lenovo recognizes that the realization of its “Smarter AI for All” vision depends on the responsible, ethical, and secure development, deployment, and use of AI. The Group has established an AI governance framework and implemented supporting compliance practices, including defined policies, standards, processes, and training programs, as well as ongoing monitoring of regulatory developments, to guide the responsible use of AI across its products, services, and internal operations.</p> <p>AI governance is supported by centralized oversight and cross-functional collaboration. The Group is advancing a unified, enterprise-wide governance framework, jointly led by the Chief Security and AI Officer and the Chief Legal Officer, with dedicated teams working in coordination with Legal, Ethics and Compliance, and other key stakeholders. This framework covers AI applications used in product development as well as AI-enabled products and services, supporting a consistent approach to governance, security and compliance.</p> <p>These measures support alignment with evolving global laws, regulations, and responsible AI standards, while promoting transparency, accountability, and customer trust.</p> |
| <p><b>Operational Risks</b></p> <p><i>Supply Chain Management</i></p> <p>Lenovo Group operates a highly complex, global supply chain involving multiple tiers of suppliers and both Lenovo owned and third-party operated manufacturing sites. The Group’s operational performance depends on the seamless execution of critical functions such as demand forecasting, production planning, order fulfilment, and inventory management.</p> <p>Despite its global presence, certain Lenovo supply or production activities remain regionally concentrated, increasing sensitivity to localized disruptions. In addition, reliance on a limited number of component suppliers may constrain flexibility during periods of supply shortages.</p> | <p>The Group actively manages risks associated with its complex global supply chain through a combination of strategic sourcing, operational planning, regulatory compliance, and ESG oversight. Included in this is a robust and mature Global Supply Chain Risk Management program that continuously monitors external developments, identifies emerging risks or shifts in the risk environment, and develops dynamic mitigation strategies. This program supports cross-functional collaboration and informs decision-making across procurement, manufacturing, logistics, and compliance functions.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

# Management's discussion & analysis

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p>Potential disruption may arise from a range of factors, including:</p> <ul style="list-style-type: none"> <li>• Natural disasters, pandemics, or damage to manufacturing or logistics facilities;</li> <li>• Supplier financial instability;</li> <li>• Regional conflicts, cyberattacks, or other security threats;</li> <li>• Regulatory changes, such as evolving global trade tariffs or governmental export controls;</li> <li>• Shortages or constrained availability of critical raw materials or components.</li> </ul> <p>Such events can increase costs, extend lead times, and require substantial time and resources to resolve. If alternative sourcing cannot be secured on favorable terms while maintaining legal and regulatory compliance, Lenovo's revenue, profitability, and competitive position may be adversely affected.</p> <p>In addition, Lenovo's global supply chain is exposed to Environmental, Social, and Governance (ESG) risks that may arise from the practices of both direct and indirect suppliers. These risks include climate-related disruptions, natural resource depletion, and labor or human rights violations. Suppliers operating in jurisdictions with less robust legal or regulatory standards may fail to meet the expectations or requirements of the markets Lenovo serves, creating compliance gaps and reputational exposure. Non-compliance by any supplier — particularly in areas related to responsible sourcing or labor practices — could disrupt supply continuity, lead to regulatory penalties, or impair the Group's license to operate. ESG considerations are also increasingly important in customer procurement decisions. A failure to meet evolving expectations related to environmental impact, ethical sourcing, or supplier conduct may result in loss of business or diminished brand equity.</p> | <p>To address supply constraints in critical components, Lenovo works closely with strategic suppliers to support continuity of supply while maintaining competitive commercial terms. At the upstream level, Lenovo leverages risk monitoring and early-warning mechanisms to identify potential vulnerabilities and implement diversification measures where appropriate.</p> <p>Lenovo continues to diversify its global manufacturing footprint across multiple regions through a combination of in-house facilities and Original Design Manufacturer (ODM) partnerships. In parallel, procurement maintains a multi-source strategy for key components to reduce reliance on single suppliers.</p> <p>Business continuity is supported through comprehensive disaster recovery planning and scenario-based risk assessments, aimed at reducing the impact of regional disruptions such as natural disasters or geopolitical instability.</p> <p>Lenovo is committed to embedding ESG principles across its end-to-end supply chain. Supplier compliance with labor, environmental, health and safety, and ethical standards is supported by formal policies, contractual requirements, and monitoring systems. The Group is a member of the Responsible Business Alliance (RBA), and actively promotes Lenovo Supplier Code of Conduct throughout multiple tiers of its supply chain, and works with RBA and other third parties to conduct independent audits to validate compliance.</p> <p>To strengthen ESG due diligence, Lenovo has integrated the EcoVadis ESG Risk Management Platform and Supplier ESG Management Module into its digital supplier management system. This platform helps assess supplier performance, identify risk areas, recommend improvements, and track year-over-year progress toward enhanced ESG outcomes.</p> |



| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <p><i>Product and Solution Quality</i></p> <p>Lenovo offers complex products and services, and maintaining high standards of quality is critical to its reputation, customer loyalty, and long-term success. A failure to uphold effective quality management across research and development, solution design, service delivery, manufacturing, and the supply chain could materially affect the Group's brand, operations, and financial performance.</p> <p>Product and solution quality issues may result in costly recalls, production or deployment disruptions, or increased warranty, repair, and replacement expenses. For services and integrated solutions, quality failure may also lead to service delivery disruptions, failure to meet contractual service levels, or inability to achieve customer outcomes. This may result in service credits, contractual penalties, project delays, cost overruns, or disputes with customers.</p> <p>In addition, failure in services or solutions, particularly those involving managed environments, data processing, or third-party products, may expose the Group to cybersecurity risks, data breaches, or regulatory non-compliance. Such incidents could lead to financial loss, legal liability and reputational damage.</p> <p>Such issues may negatively impact customer satisfaction, recurring income stream and market confidence. Lenovo may also face liability claims if the use of its products or solutions causes bodily injury, property damage, business interruption or other loss — regardless of fault. Defending such claims may require substantial time and resources, and any adverse judgments could result in significant financial penalties or reputational harm.</p> | <p>Lenovo continuously enhances its quality processes to ensure consistent performance across the product lifecycle. The Group's Quality Management System (QMS) is certified to the ISO 9001:2015 standard by external certification bodies, reinforcing its commitment to global quality benchmarks.</p> <p>The QMS supports efficient operations, drives customer satisfaction, and signals to customers and stakeholders that Lenovo maintains robust and standardized quality assurance practices. These processes span product development, manufacturing, and post-sales support, helping to reduce defect rates, manage quality-related risks, and strengthen brand trust.</p> <p>For solutions and services, the Group applies defined solution development and deal governance processes, including cross functional approval, to ensure customer, technical, regulatory, and security requirements are met prior to commitment. Third party products and solutions are subject to due diligence, contractual safeguards, and acceptance controls before deployment. Service performance is monitored post deployment, with incidents managed through established processes, while post launch reviews focus on security control validation to support ongoing regulatory compliance.</p> <p>For solutions and services involving managed environments or data processing, relevant cybersecurity and data protection requirements are incorporated into design and delivery processes, aligned with the Group's broader cybersecurity and information protection framework to support secure and compliance service delivery.</p> |
| <p><i>Intellectual Property (IP)</i></p> <p>Lenovo Group invest in the growth and diversity of its patent portfolio to be able to use defensively and from exposure to third-party infringement claims.</p> <p>The Group faces increased costs from licensing demands by patent holders, legal fees to defend against infringement claims, or settlements and damage awards.</p> <p>Adverse judgments in IP disputes may also lead to injunctions or exclusion orders that restrict Lenovo's ability to sell or distribute products in certain jurisdictions. In some cases, the Group may need to modify product designs or adjust supply chain arrangements, which could strain customer or partner relationships. Infringement findings may also harm Lenovo's brand and market credibility.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Lenovo maintains an IP litigation defense strategy and actively leverages its patent portfolio, where appropriate, to mitigate costs and strengthen its negotiating position. Additionally, the Group engages in industry collaboration to advocate for reforms that promote a more balanced and cost-effective global patent system. Lenovo also leverages available contractual indemnity remedies from suppliers to help manage the third-party risk and exposure.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

# Management's discussion & analysis

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><i>Information, Product &amp; Cyber Security</i></p> <p>Lenovo faces growing risks related to cybersecurity, data privacy, and the integrity of its IT infrastructure and products. These risks are driven by increased digitization, the rise of artificial intelligence, and the growing scale and sophistication of threats from cybercriminals, nation-state actors, and other malicious entities.</p> <p>Cyber threats may target Lenovo's enterprise systems, cloud infrastructure, product ecosystem, or third-party suppliers. This is particularly relevant to Lenovo's cloud and services businesses, which process, store, and transmit large volumes of sensitive customer, employee, and operational data. The use of AI across Lenovo's offerings, while accelerating innovation, also increases exposure to AI-enabled attacks that are more adaptive and automated.</p> <p>Lenovo collects and manages personally identifiable information (PII) and other sensitive data across its global operations. The Group is subject to a range of data privacy laws and security regulations that govern the collection, use, cross-border transfer, sharing and retention of such information. Depending on the jurisdiction, Lenovo may be required to notify individuals or regulators in the event of a security breach or vulnerability.</p> <p>Product security is also a critical concern. Hardware, operating systems, software, and applications, whether developed internally or sourced from third parties, may contain bugs or hidden vulnerabilities that interfere with system performance or introduce security risks. Lenovo's complex global supply chain adds further exposure, including the potential for malicious code to be introduced through third-party components or software.</p> <p>Finally, a significant security incident, whether due to a cyberattack, data breach, or product vulnerability, could result in regulatory penalties, operational disruption, reputational damage, legal liability, or financial loss.</p> | <p>Lenovo maintains a comprehensive cybersecurity and information protection program designed to safeguard its operations, products, data, and customers against evolving threats.</p> <p>Key elements of this program include:</p> <ul style="list-style-type: none"> <li>• <b>Cybersecurity governance and controls:</b> Lenovo has established a global cybersecurity risk governance framework aligned with industry standards and leading control frameworks. This includes policies, procedures, and incident response protocols, as well as business continuity programs. The Group has nine ISO 27001:2022 certifications for information security across its Global IT Network, and has an ISO 22301:2019 certification for business continuity.</li> <li>• <b>Threat detection and response:</b> Lenovo continuously enhances its cybersecurity practices through advanced technical controls, threat intelligence services, AI-based countermeasures, and real-time attack detection. These capabilities support rapid response to emerging threats and strengthen organizational resilience.</li> <li>• <b>Regulatory and compliance adherence:</b> Lenovo complies with many global laws, regulations, and industry standards relating to AI, privacy, information security, and product security. This includes adherence to contractual obligations with customers and partners.</li> <li>• <b>Product and data security standards:</b> The Group enforces policies and processes to ensure that its hardware, software, and applications — whether developed in-house or procured from third parties — meet robust security and data protection standards.</li> <li>• <b>Secure product lifecycle management:</b> Security is embedded throughout the product lifecycle, from supplier code reviews and third-party risk assessments to post-release vulnerability management. This approach helps ensure the delivery of safe and secure products, limits customer exposure, and supports rapid remediation when issues are identified.</li> </ul> |



| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p><i>Human Capital Management</i></p> <p>Lenovo's long-term success depends on its ability to attract, develop, retain, and motivate a high-performing, diverse workforce. As the Group continues to execute its "Smarter AI for All" vision and 3S strategy, human capital remains a critical enabler of innovation, operational execution, and strategic transformation.</p> <p>The rapid evolution of AI technology creates a pressing need for specialized skills. Failure to either source key expertise globally or successfully transition and upskill internal talent to meet evolving technical and leadership requirements could impact the Group's innovation and competitive edge.</p> <p>Moreover, the evolving regulatory landscape, particularly concerning pay transparency and equity in various jurisdictions across the world especially in EU, together with global inclusion, all requires continuous adaptation to ensure compliance and uphold Lenovo's commitment to fair and inclusive employment practices.</p> | <p>Lenovo continuously enhances its Employer Value Proposition (EVP) to attract, engage, and retain talent aligned with the Group's intelligent transformation. The Group promotes its focus on AI and innovation internally and externally to strengthen brand recognition and attract candidates with emerging skill sets.</p> <p>Lenovo drives AI talent growth by strategically deploying its global footprint across key hubs to access global talent and align with the latest technological advancements.</p> <p>The Group prioritizes internal talent transformation through enterprise-wide training and strategic leadership development programs. These initiatives enhance AI technical capabilities and leadership readiness, ensuring a sustainable talent pipeline for the era of AI transformation.</p> <p>Lenovo constantly reviews and updates its compensation strategy to ensure that its compensation and benefits programs are performance driven, competitive, and flexible to support an increasingly diverse business landscape and employee population.</p> <p>To address evolving regulatory requirements — particularly in relation to pay equity, transparency, Lenovo strengthen the company's global pay equity governance and regulatory readiness by establishing a scalable, data driven approach to monitoring compliance requirements, assessing pay equity risks, and enabling timely, transparent reporting.</p> |
| <p><b>Financial Risks</b></p> <p>As a global enterprise, Lenovo is exposed to a range of financial risks that could materially affect its financial condition, operating performance, or strategic flexibility. These include financial reporting risks, liquidity and credit risks, foreign exchange volatility, and tax-related uncertainties.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Lenovo has established a comprehensive financial risk management program designed to minimize the potential adverse impacts of financial market volatility on the Group's financial performance and strategic objectives. The program incorporates structured processes, oversight mechanisms, and controls to manage exposure across key areas such as financial reporting, liquidity, credit, foreign exchange and taxation.</p> <p>For further detail, refer to the "Notes to the Financial Statements" (pages 242-250).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# Management's discussion & analysis

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p><i>Financial Reporting</i></p> <p>Lenovo is subject to complex and evolving financial reporting requirements across jurisdictions. These include the application of accounting standards, the use of significant management judgments and estimates, and the need to maintain effective internal controls over financial reporting. Failure to maintain compliance or transparency in financial reporting may result in regulatory scrutiny, restatements, or reputational harm.</p>                                                                                                                                                                                                                                                                                                                                                                  | <p>Lenovo maintains a robust internal control framework to ensure the accuracy, integrity, and timeliness of its financial reporting. This includes compliance with Hong Kong Financial Reporting Standards (HKFRS) and other applicable accounting and regulatory requirements across jurisdictions in which the Group operates.</p> <p>The Group regularly reviews and enhances its accounting policies and financial reporting processes, including the use of qualified finance professionals and external advisors where appropriate. Key accounting estimates and judgments are subject to formal review and governance, including oversight by Lenovo's Audit Committee. Internal Audit and Finance teams conduct periodic risk assessments and control testing to monitor the effectiveness of financial reporting controls. Remediation efforts are implemented promptly in response to identified control deficiencies.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><i>Liquidity and Credit Risk</i></p> <p>Adverse economic conditions, financial market volatility, or geopolitical events may negatively affect Lenovo's cash flows and working capital. Constraints in the supply of critical components, whether due to industry shortages or localized disruptions, may affect production schedules, inventory balances and fulfillment costs, creating additional pressure on liquidity. The Group may experience delays or defaults in receivables collection due to customer financial stress. In some cases, trade credit insurance capacity may be reduced or withdrawn, increasing Lenovo's exposure to uninsured credit losses. Volatility in the capital markets could limit the availability or increase the cost of external funding, potentially constraining investment or operational flexibility.</p> | <p>Lenovo actively manages liquidity and credit risk through centralized treasury operations, supported by robust cash flow forecasting, global funding strategies, and disciplined credit management practices.</p> <p>The Group closely monitors market conditions and funding opportunities to maintain financial flexibility and ensure timely access to capital. It maintains diversified funding sources, including committed credit facilities and access to public debt markets.</p> <p>The Group's globally integrated supply chain and manufacturing network also support its ability to manage working capital and respond to potential disruptions. This includes ongoing efforts to diversify its manufacturing footprint and supplier base, as well as continuous monitoring of supply conditions and risks, as further described in the "Supply Chain Management" section.</p> <p>Customer credit risk is managed through formal credit policies, ongoing review of receivables performance, and strengthened collection capabilities. Lenovo leverages internal risk assessments and third-party data to evaluate customer creditworthiness and adjust credit terms accordingly.</p> <p>To mitigate the risk of customer default, Lenovo works proactively with brokers and insurers to maintain trade credit insurance coverage, particularly in times of economic volatility.</p> |

| Risk Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Key Risk Mitigations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><i>Foreign Exchange Risk</i></p> <p>Lenovo operates in multiple international markets and is exposed to foreign currency risk from transactions, assets, liabilities, and investments denominated in currencies other than the functional currency. Persistent macroeconomic uncertainty and geopolitical tensions have kept exchange rate volatility elevated. Ongoing fluctuations in foreign exchange markets may continue to affect the Group's financial performance.</p>                                                                                                                                                                                                                                                        | <p>Lenovo manages foreign exchange risk through a centralized treasury function, guided by a Group-wide hedging policy. Currency exposures are actively monitored, with hedging strategies dynamically adjusted within policy parameters in response to market developments.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p><i>Tax Management</i></p> <p>Lenovo operates across multiple tax jurisdictions and is subject to ongoing changes in local and international tax regulations. Evolving interpretations and new legislation may introduce ambiguity or increase the complexity of tax compliance. Changes in tax rules could affect Lenovo's effective tax rate, tax liabilities, and the value of tax-related assets.</p> <p>The recognition of deferred tax assets is dependent on the Group's ability to generate sufficient future taxable profits. A deterioration in business performance or significant changes in forecasted profitability could result in the write-down of deferred tax assets, leading to a negative impact on earnings.</p> | <p>Lenovo closely monitors both business developments and the global tax environment to ensure the appropriate application of tax rules and to mitigate risks where possible. The Group maintains a centralized tax governance structure supported by internal expertise and external advisors to manage compliance across multiple jurisdictions.</p> <p>Lenovo proactively assesses the potential impact of regulatory changes, evaluates its tax positions, and implements controls to ensure the accuracy and timeliness of tax filings. The Group also conducts periodic reviews to validate the recoverability of deferred tax assets based on current and projected business performance.</p> <p>In addition, Lenovo leverages technology-enabled tax systems to support compliance efficiency and regularly engages with tax authorities to maintain alignment on complex or evolving tax matters.</p> <p>For additional detail, refer to the "Notes to the Financial Statements" (pages 192-193 and 212-214) and "Key Audit Matters" (page 170).</p> |



# Management's discussion & analysis

## Environment

Lenovo's programs in this area are based on a foundation of its commitment to strong environmental stewardship and continued compliance. This includes compliance with regulatory requirements and voluntary standards established by associations and the standards organizations to which Lenovo subscribes. Lenovo's Environmental Affairs Policy is the cornerstone for compliance across global operations, employees, and contractors performing work on behalf of Lenovo. This policy forms the foundation for Lenovo's ISO 14001:2015 certified Environmental Management System (EMS), which includes processes for evaluating legal and voluntary requirements and ensuring compliance across Lenovo's global design, development, and manufacturing operations (including distribution, fulfillment, and internal repair operations).

It is Lenovo's goal to leverage its EMS to help address and mitigate some of the most significant environmental challenges facing Lenovo as a global organization. Other benefits of the EMS include achieving results consistent with environmental leadership and ensuring Lenovo is vigilant in protecting the environment across all of its operations worldwide.

Lenovo's locations included in the EMS scope are audited internally as well as externally by certification bodies. Lenovo's EMS focus areas include:

- Climate change mitigation programs
- Environmentally conscious products program and its focus on the energy efficiency of products
- Environmentally preferred materials programs to drive the use of recycled and renewable materials in its products and packaging and support a transition to a circular economy
- Environmentally sound operations at its manufacturing facilities
- Global supply chain environmental programs

Through Lenovo's ISO 14001:2015 certified EMS program, it conducts a Significant Environmental Aspect (SEA) evaluation annually. This process evaluates the significant or material environmental aspects while identifying risks and opportunities that may impact the business or operations. To manage the SEAs, Lenovo establishes relevant environmental objectives and targets with Key Performance Indicators addressing site operations, products, and global supply chain functions. The objectives and targets are monitored and measured for progress semi-annually as part of Lenovo's ISO 14001:2015 certified EMS. Lenovo's performance against select FY 2025/26 environmental objectives and targets will be published in the FY 2025/26 ESG Report.

Lenovo has responded to the Science Based Targets initiative (SBTi)'s urgent call for corporate climate action by committing to align with 1.5°C and net-zero through the Business Ambition for 1.5°C campaign and becoming part of the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign. In January 2023, Lenovo announced its SBTi validated target to reach net-zero greenhouse gas (GHG) emissions by 2050. Lenovo's net-zero target is to achieve a 90 percent reduction across Scope 1, 2, and 3 emissions. The long-term 2050 net-zero target coincides with its near-term, SBTi-validated 2030 emissions reduction targets. In September 2023, Lenovo joined the UN Global Compact Forward Faster initiative to accelerate private sector action towards the SDGs, specifically committing to the climate action and water resilience targets within the initiative.

By working with SBTi and aligning to their Net-Zero Standard, which is also the world's first framework for corporate net-zero target setting, Lenovo is taking a scientific, collaborative, and accountable approach to reducing emissions.

Aligning goals to SBTi helps hold companies accountable for their emissions reduction. Without aligning to SBTi, it is difficult to validate or know when a net-zero target is reached.

Lenovo's mature ISO 14001 EMS gives Lenovo a strong framework on which to set annual targets to help drive progress towards its 2030 and 2050 SBTi goals.

For more information about Lenovo's identification process and assessment of climate-related risks and opportunities, metrics, and actions to address climate change, please read Lenovo's response to the CDP Climate Change questionnaire available at [www.cdp.net](http://www.cdp.net).

Lenovo recognizes the increasing demand for transparency with climate-related risks and opportunities disclosures. Investors and other stakeholders are focused on corporate disclosures regarding the physical and transition risks associated with climate change and related financial impacts. Lenovo's annual ESG Report complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), references the Global Reporting Initiative (GRI) Standards, and addresses the needs of many Lenovo stakeholders.

## Climate Change

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance          | <p>Lenovo recognizes that climate change is a serious threat and as such, it addresses it at the highest levels of the organization. At least annually the Board of Directors is briefed on the Company's climate strategy and progress towards its climate change mitigation goals. Lenovo's Chief Legal and Corporate Responsibility Officer provides executive leadership for Lenovo's Environmental, Social and Governance (ESG) position, including climate change programs. In addition, the ESG Executive Oversight Committee (EOC) provides strategic direction and facilitates the coordination of ESG efforts across Lenovo, including the Company's climate change strategy. The ESG EOC is comprised of senior management from across the business and functional areas and is chartered to promote a culture that encourages strong ESG performance, including compliance and leadership activities.</p>                                                                                                                                                                                                                                                                                                                                                       |
| Strategy            | <p>Lenovo identified climate-related physical and transition risks and opportunities that can impact its business, strategy and financial planning through its risk management practices including the use of a climate-related scenario analysis. These include, for example, regulations, technology, reputation, consumer behavior, or extreme weather events. Lenovo performed exploratory climate-related scenario analysis by using the IBM Climate Risk Insights tool to understand the potential business impacts under different climate-related scenarios. The results helped to evaluate the resilience of its business strategy, including financial implications, which enhance its capacity to adjust business strategy to climate change.</p> <p>Lenovo's Climate and Energy Policy forms the foundation of its climate change strategy which focuses on five key areas where it can demonstrate influence in driving emissions reductions and support for a global transition to a low-carbon economy:</p> <ul style="list-style-type: none"> <li>— internal operations</li> <li>— energy suppliers and their operational emissions</li> <li>— supply chain</li> <li>— customers</li> <li>— government, non-profit organizations, and the public</li> </ul> |
| Risk Management     | <p>The significant risks associated with climate change are identified and evaluated as part of two main processes within Lenovo's business management systems. These include its Enterprise Risk Management (ERM) process and its annual climate-related risks and opportunities assessment. Additionally, Lenovo considers climate change as part of the ESG materiality assessment process. These processes help Lenovo identify relevant climate-related risks and opportunities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Metrics and Targets | <p>Lenovo established near-term science-based emissions reduction targets, which were validated by SBTi in June 2020 and again in January 2023. Its scope 1 and 2 emissions reduction targets are consistent with limiting warming to 1.5°C, the most ambitious goal of the Paris Agreement, and its scope 3 emissions reduction targets meet ambitious criteria in accordance with the SBTi methodology and are in line with current best practices. Lenovo annually discloses its scope 1, 2 and 3 emissions and progress towards its emission reduction targets in its ESG Report. Lenovo's long-term emissions reduction targets have been validated against SBTi's Corporate Net-Zero Standard, and Lenovo is committed to achieving net-zero greenhouse gas emissions by 2050.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

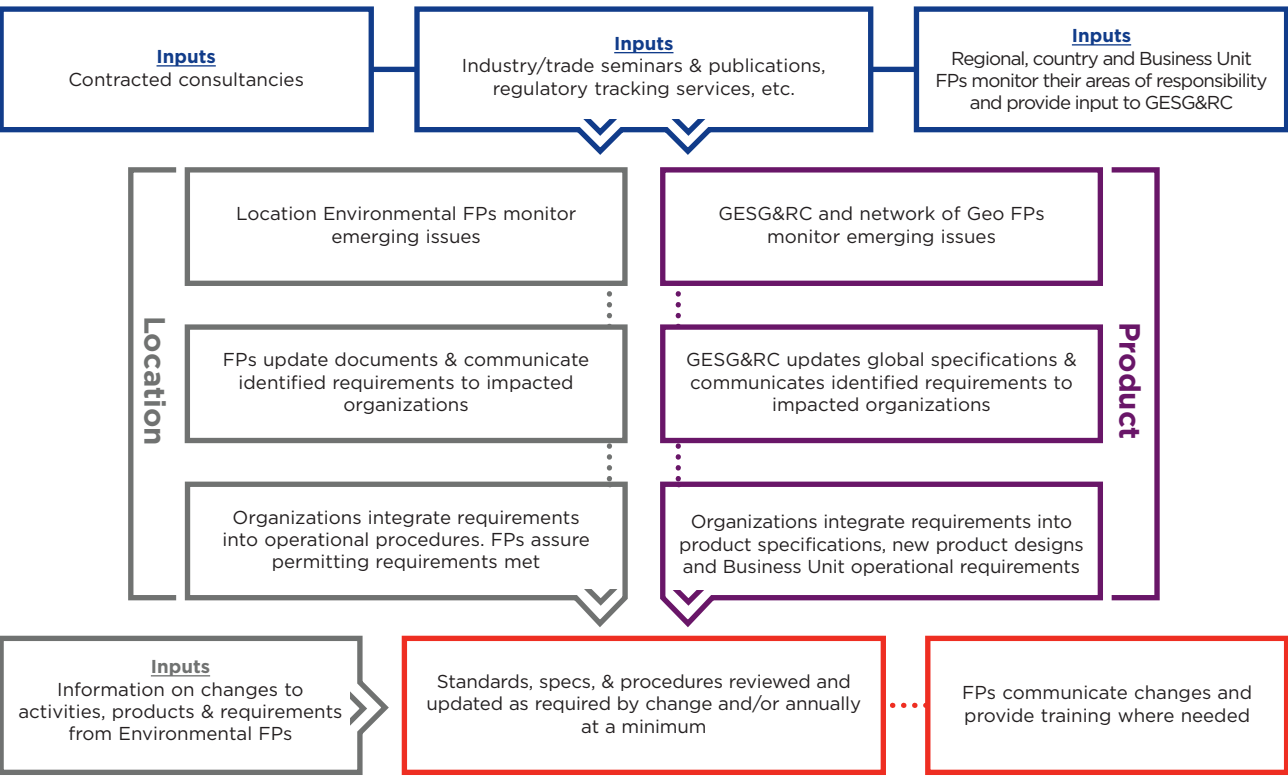
# Management’s discussion & analysis

## Compliance with environmental laws and regulations

Lenovo actively engages with a wide variety of stakeholders to safeguard compliance with applicable laws and regulations where its products are manufactured, marketed, and sold. The Global ESG and Regulatory Compliance (GESG&RC) Organization supports a culture of compliance by working with a global network of focal points (FP) in the geographies, development organizations, and key functional areas, as well as with external partners. Lenovo uses reliable and established processes that conform with the latest applicable laws and regulations and ensure overall effectiveness. The diagram below details the process for ensuring environmental compliance for its products and practices.

Lenovo and its business partners obtain the environmental and regulatory certifications that are required to legally sell its products where they are marketed and sold. Lenovo relies on internal and external subject matter experts, third-party labs, internal tools, and processes to evaluate and confirm product compliance before shipment. In addition to environmental compliance, areas of review include but are not limited to, electromagnetic compatibility (EMC), safety, technology and trade controls, and wireless.

### Process for establishing, monitoring, and maintaining environmental compliance





## Ethics and compliance with relevant laws and regulations

Lenovo is committed to conducting business legally, ethically, and with integrity. Ethics and integrity serve as the foundation of all Lenovo's business practices. Results from Lenovo's most recent 'Lenovo Listens' survey highlight one of the Company's greatest strengths: ethical business practices. Lenovo recognizes its success hinges on its steadfast commitment to these values. This commitment is reinforced among the workforce through Lenovo's core values, which emphasize the significance of "Teamwork with Integrity and Trust," one of Lenovo's four fundamental cultural tenets.

Lenovo's Ethics and Compliance Office (ECO) was established to foster a culture that is committed to implementing these values. The ECO works in partnership with stakeholders across the globe to promote legal and ethical operations. The ECO actively raises awareness about the importance of ethical and compliant business practices to Lenovo and serves a critical role in providing employees with the information, resources, and training they need to make informed ethical decisions. The ECO also oversees Lenovo's Code of Conduct (Code), which establishes clear expectations for employee compliance with Lenovo's policies related to lawful and ethical business conduct. Lenovo's Code reflects its culture of trust and integrity and holds employees accountable for their behavior and helps employees determine when and where to seek advice. Lenovo's Code, policies, and related awareness and training materials are provided electronically and through periodic communications. Specifically, Lenovo's new hires are required to take Code training. In order to successfully complete the training, all employees are required to provide attestation of their adherence to the Code and Lenovo policies. The Code training covers various topics, including, conflicts of interest, insider trading, anti-bribery and corruption, anti-competitive practices and fair competition, anti-money laundering, and international trade compliance.

The ECO is supported by the following committees:

### Board Committees

- The **Audit Committee** is annually briefed by the ECO on matters including the adequacy of resources for ESG reporting
- The **Nomination and Governance Committee** oversees the corporate policies and practices about governance and compliance with legal and regulatory requirements

### Other Committees

- The **Executive Ethics Committee** provides executive-level oversight and guidance to the ECO
- The **Investigation Oversight Committee** works closely with the ECO to oversee the Group's internal investigation process and speak up initiatives
- The **Regional Ethics and Compliance Committee** provides the ECO with global support, perspective, and insight

## Business practices

Lenovo is committed to conducting business legally, ethically, and with integrity. Lenovo's Code of Conduct (Code) mandates compliance with applicable laws in markets where it conducts business. Its policies strongly support ethical and responsible business practices, including, but not limited to areas such as anti-bribery and corruption, data privacy, anti-competitive practices and fair competition, trade compliance, intellectual property, and more.

### Anti-Bribery and Corruption

Lenovo has zero tolerance for bribery and corruption. Lenovo complies with the anti-bribery and corruption laws in every jurisdiction where it conducts business. Lenovo's Global Anti-Bribery and Corruption Policy, along with its Global Gift, Entertainment, Corporate Hospitality and Travel Policy, reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and corruption laws and regulations. The policies stress that Lenovo will not directly or indirectly solicit, offer, promise, authorize, provide, or accept anything of value to any person, including government officials, to influence action, inaction or to secure an improper advantage as defined by applicable laws.

### Anti-Competitive Practices and Fair Competition

Lenovo competes for business ethically and lawfully. Lenovo's Code and policy on anti-competitive practices and fair competition sets out fundamental principles to serve as guidelines for employees in complying with the competition laws in every jurisdiction where Lenovo operates. In particular, the policies strictly prohibit employees from engaging in anti-competitive practices, including entering into an agreement or discussion that would result in setting prices, limiting the availability of goods or services on the market, or agreeing to boycott a customer or supplier.

# Management's discussion & analysis

## Intellectual Property

Lenovo values intellectual property as it innovates for the future. Lenovo expects employees to protect intellectual property and to respect the intellectual property rights of other companies and individuals. Lenovo secures its intellectual property by using patents, copyrights, trademarks, confidential information, related contract rights, and other applicable forms of legal protection.

## Trade Compliance

Lenovo is fully committed to complying with all applicable global trade laws and regulations in the markets where it conducts business. This includes adherence to customs and import regulations, export controls, economic sanctions, and anti-boycott regulations as mandated by relevant authorities in each jurisdiction.

All employees are expected to uphold Lenovo's Code of Conduct and Global Trade Compliance Policy, which define the requirements for maintaining compliance with these laws and regulations. Lenovo also requires its business partners to comply with applicable global trade laws and regulations pursuant to its Partner Code of Conduct.

Additionally, Lenovo is Customs-Trade Partnership Against Terrorism (CTPAT) certified and a member of the CTPAT Trade Compliance program, demonstrating Lenovo's commitment to supply chain security and regulatory compliance.

## Privacy & Data Protection

Lenovo recognizes the great importance of privacy to individuals everywhere — customers, website visitors, product users, employees — everyone. The responsible use and protection of personal and other information under Lenovo's care is a core value. To ensure adherence to Lenovo's privacy and data protection policies, principles, and processes, Lenovo maintains a global Privacy & Data Protection Program led by the Legal Department and a cross-functional Privacy Working Group comprised of key partners drawn from Information Security, Product Security, Product Development, Marketing, E-Commerce, Service and Repair, Human Resources, and other groups. Key elements of Lenovo's approach to responsibly using and protecting information of concern include:

- Monitoring privacy and data protection legal and regulatory trends, advising senior leadership, and improving Lenovo's privacy and data protection practices
- Harmonizing global privacy and data protection requirements into a corporate-wide Privacy Statement, Privacy Standard, and set of Guiding Privacy Principles intended to drive how Lenovo handles personal, user, device and certain other identifiable information, including developing and updating Lenovo privacy controls and processes

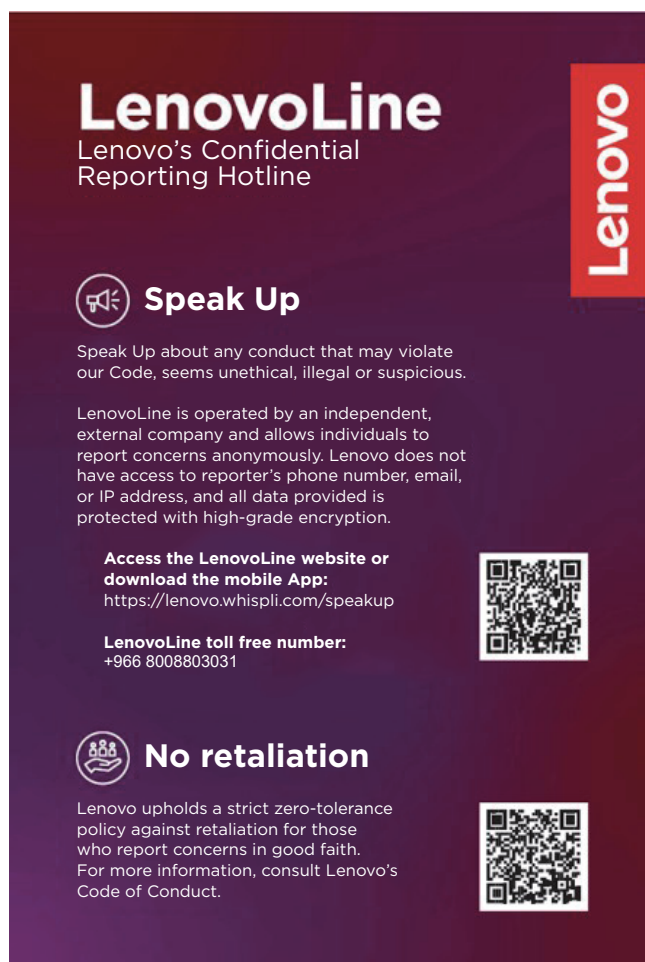
- Providing contractual support to ensure that risks associated with any data flows involving third parties are addressed through appropriate supplier, customer, and partner contractual terms; includes support for the Lenovo Global Contract Team (GCT) in applying contract templates and enhancing privacy and security-focused contract exhibits
- Providing early input to product and services development teams by incorporating privacy checkpoints into formal development plans, including privacy impact assessments, and conducting pre-launch privacy compliance reviews of products, software, services, websites, marketing programs, internal systems, and supplier relationships
- Publishing transparent website and product privacy statements that describe Lenovo's privacy practices, data processes, and choices for individuals
- Responding to requests from individuals to access, review, correct, amend, or delete their personal information
- Coordinating Lenovo's response to law enforcement and other government requests for personal, user, or device identifiable data
- Developing and delivering live and virtual privacy-focused training programs and working closely with the Chief Security Office (CSO), Corporate Infrastructure Security Office (CISO), and product security teams to timely identify and respond to information incidents
- Maintaining an internal Global Privacy & Data Protection Program website for the Lenovo Community that serves as a resource containing policies, training, news, analysis, and additional guidance on a host of privacy and data protection areas of concern

## Raising questions or concerns

Lenovo is committed to fostering a speak up culture, where employees, contractors and business partners are empowered to speak up on anything that appears unethical, illegal, or suspicious. Lenovo has established clear processes and various reporting channels for raising questions or reporting concerns. Employees are encouraged to raise concerns to their managers, Human Resources, the ECO, Internal Audit, or the Legal Department about any potential issues including, but not limited to, those known about or suspected:

- Fraud by or against Lenovo
- Bribery or Corruption
- Unethical business conduct
- Violation of legal or regulatory requirements
- Substantial and specific danger to health and safety
- Violation of Lenovo's corporate policies and guidelines, particularly the Code of Conduct

Lenovo also provides formal, confidential ways to report concerns, ask questions, or request guidance in person, by email, or through the LenovoLine, a confidential reporting system that is accessible 24 hours a day, seven days a week by secure website, mobile app (IOS or Android), or by telephone. Where allowed by law, employees may report concerns about business practices anonymously.



**LenovoLine**  
Lenovo's Confidential Reporting Hotline

**Speak Up**

Speak Up about any conduct that may violate our Code, seems unethical, illegal or suspicious.

LenovoLine is operated by an independent, external company and allows individuals to report concerns anonymously. Lenovo does not have access to reporter's phone number, email, or IP address, and all data provided is protected with high-grade encryption.

Access the LenovoLine website or download the mobile App:  
<https://lenovo.whisppli.com/speakup>

LenovoLine toll free number:  
+966 8008803031

**No retaliation**

Lenovo upholds a strict zero-tolerance policy against retaliation for those who report concerns in good faith. For more information, consult Lenovo's Code of Conduct.

*Employees are encouraged to use the LenovoLine, Lenovo's confidential ethics and compliance reporting line, to raise concerns or questions. The LenovoLine is also accessible by scanning the QR code.*

Lenovo takes all allegations and concerns seriously. Lenovo maintains a Whistleblowing and Investigations Policy outlining the process by which concerns can be raised, are reviewed, and are investigated. Lenovo also has an oversight body, the Investigation Oversight Committee (IOC), to ensure concerns raised are appropriately investigated and addressed.

## Stakeholder engagement

Lenovo actively manages its relationships with customers, employees, suppliers, investors, regulators, members of the communities in which it operates, and other stakeholders who may be impacted by the organization's ESG performance and whose actions can affect the organization's value.

Direct and indirect stakeholder engagement is conducted through regular business practices or through interactions that target key stakeholders.



Stakeholder engagement is facilitated in several ways, including:

- Direct customer interaction via market surveys and focus groups
- Employee surveys and focused training
- Supplier audits, conferences, and quarterly business reviews
- Regular webinars and meetings with industry trade groups on regulatory and other issues
- Community partnerships in Lenovo's priority markets
- Social media, StoryHub, press release, webcast
- Responding to investors, analysts, and non-governmental organization (NGO) surveys and inquiries



# Management's discussion & analysis

Lenovo also engages with stakeholders through targeted campaigns that support its social investment objectives that include but are not limited to:

- Love on Global Month of Service: September 2025 marked Lenovo's ninth annual Love on Global Month of Service, engaging employees in offices around the world to make a positive impact in their communities. Projects aligned to Lenovo Foundation's mission to provide access to technology and education for those who need it most. Whether it's the number of volunteers, volunteer hours, participating offices, or beneficiaries, the event has grown every year since 2017.
- AI for Social Impact: Lenovo philanthropy continued its work to connect non-profits with education and resources so that they can harness AI to enhance their missions through the AI for Social Impact Lab. By partnering with Tech to the Rescue to offer the AI for Social Impact Lab's curriculum and resources, Lenovo is giving non-profits the resources to develop and deploy AI solutions that enhance their missions.

In addition to these and other formal stakeholder interactions, Lenovo collaborates with industry associations from time to time. The external perspectives provide opportunities to adopt best practices and knowledge that may help to assess its commitments and progress in key ESG-related areas.

With operations and supply chains that extend around the world, Lenovo is uniquely positioned to support the global collective impact of business by aligning its practices to a sustainable and inclusive future. Since 2009, Lenovo has continued its role as a signatory supporter to the United Nations Global Compact (UNGC), a globally recognized platform that provides a blueprint for businesses that want to achieve a more sustainable future for all. As a business participant in the UNGC, the Company strives to demonstrate continuous improvements by aligning its operations and practices with the ten principles of the UNGC. The principles promote a value system that supports the fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption in the markets where it operates.

As Lenovo aims to integrate these values and principles wherever it conducts business, Lenovo is also making meaningful contributions to people and the planet and setting the stage for long-term success. This dedication begins at the top with the support and endorsement of its Chairman and CEO, Mr. Yang Yuanqing. Lenovo is proud to be recognized by professionals and prominent programs worldwide as it demonstrates leadership in corporate ESG practices. The information below contains a selection of Lenovo's FY 2025/26 ESG achievements. A detailed review of Lenovo's FY 2025/26 ESG performance is published in its ESG Report.

## Key ESG recognitions and accomplishments

### Environmental

Lenovo scored in the leadership band by CDP for climate change (A) and water security (A) for 2025. This marks the first time Lenovo has earned an A rating for both climate change and water security in the same year. For its As, Lenovo also earned spots on CDP's 2025 Corporate A list for Climate and Water which highlights Lenovo's commitment to environmental transparency and comprehensive disclosure.

Lenovo was named a SERI Champion of Electronics Sustainability, a designation that highlights the Company's industry-leading commitment to responsible electronics reuse, recycling, and circularity. The recognition reflects Lenovo's long-standing work to integrate the Responsible Recycling (R2) standard into its global Asset Recovery Services, ensuring used electronics are managed with the highest levels of environmental and data security compliance.

Multiple Lenovo initiatives were recipients at the Business Intelligence Group (BIG) Sustainability Awards in 2025. Lenovo's Solutions and Services Group (SSG) was honored with Sustainability Initiative of the Year for Lenovo Intelligent Sustainability Solutions Advisor (LISSA) and Sustainability Service of Year for its Asset Recovery Service (ARS).

## Social

Lenovo was recognized as a “2025 Best Place to Work for Disability Inclusion” by the Disability Equality Index in the US, the UK and Brazil. The index is the world’s most comprehensive benchmarking tool for measuring disability workplace inclusion. 2025 is the fifth year Lenovo was recognized in the US, and the second year of recognition in the UK and Brazil.

For the second year in a row, Lenovo was recognized with ‘Ambassador’ status for 2025 in the Workplace Pride Global Benchmark, reaffirming its position as a leader in LGBTIQ+ workplace inclusion. In addition to recognition from Workplace Pride, Lenovo was included in the Human Rights Campaign Foundation’s 2026 Corporate Equality Index for the eighth year, highlighting its commitment to workplace inclusion in the US.

In 2025, Lenovo was included in both Forbes World’s Top Companies for Women and Forbes World’s Best Employers. Based on an independent global survey, these recognitions capture the voices of thousands of employees across companies and industries, and are a validation of the inclusive culture Lenovo is continuously working to grow and strengthen.

## Governance

Lenovo was presented with a ‘Most Sustainable Organization’ award under the newly established Elite Past Winners (EPW) section from the Hong Kong Institute of Certified Public Accountants (HKICPA). The EPW section was introduced this year to celebrate companies with consistent outstanding performance and continued recognition from HKICPA (at least five times over the past decade). This year’s award marks the thirteenth consecutive year that Lenovo has been recognized by the HKICPA.

Lenovo was included in the 2025 Hang Seng Corporate Sustainability Index with an AA+ score. Within its industry, Lenovo achieved the highest score in the environmental and social areas.

Lenovo was honored to be recognized in the world’s Top 100 Most Sustainable Companies, according to the 2026 Corporate Knights Global 100 ranking unveiled at the organization’s Annual CEO Roundtable during the World Economic Forum in Davos.

Lenovo was awarded the Platinum Medal by EcoVadis, a leading global provider of business sustainability ratings. With a score of 86/100, this recognition places Lenovo in the top 1% of all companies rated worldwide by EcoVadis.

# Management's discussion & analysis

## We are Lenovo

The “We Are Lenovo” cultural values of Serving Our Customers, Innovation, Entrepreneurship, and Teamwork with Integrity & Trust are the foundation of our business strategy. These values guide our operations, decision-making, and interactions with customers.

While “We Are Lenovo” continues to provide the Company’s cultural foundation, Entrepreneurship 5.0 was introduced to support an organization-wide mindset shift for the AI era. It encourages employees at all levels to align around Lenovo’s vision, lead innovation and change, and act boldly in addressing emerging opportunities and challenges. This evolution reflects Lenovo’s commitment to strengthening organizational adaptability and long-term competitiveness in a rapidly changing environment.

## Employee Performance and Total Rewards

Lenovo continues to leverage its performance management and total rewards programs to reinforce a strong commitment to excellence in business achievements and customer experience while providing employees with an environment in which employees and their families can thrive.

The performance management approach includes annual goal setting and review, continuous feedback for development, the calibration of individual ratings across organizations to ensure a fair assessment, and the recognition of individual and team performance while driving business objectives and career development which enables employees to grow and succeed through challenging and exciting work.

Lenovo’s Total Rewards Philosophy integrates competitive, performance-based compensation with a holistic benefits and well-being approach, supported by a five-pillar framework — Body, Mind, Prosperity, Connection, and Purpose — reinforcing a commitment to supporting the whole person.

Grounded in local market practices and delivered through a consistent global framework, Total Rewards at Lenovo reinforces equity, market relevance, and a clear connection between performance, contribution, and reward outcomes. Compensation programs are designed with flexibility to support business-specific needs, while benefits and well-being programs operate within a globally coordinated operating model that promotes consistency, compliance, cost sustainability, and disciplined decision-making — allowing for local adaptation to address diverse employee needs and market conditions.

Through the integrated design of performance, compensation, benefits, and well-being, Lenovo seeks to foster a healthy, resilient, and engaged workforce that drives high performance, supports talent attraction and retention, and delivers a consistent, positive employee experience aligned with business priorities and evolving workforce needs.

## Organizational & Talent management

“Integrity, Learning Ability, Persistence and Ambition are not only the fundamental for success in career development, but also the compulsory talent requirement in Lenovo. Only if you have these four elements you can grow up into a big tree!” — Yuanqing Yang

Lenovo uses Tree model to vividly describe our talent concept. The growing big tree symbolizes lofty ambitions; the Leaves represent learning ability, continuously acquiring new knowledge and mastering new skills; the Trunk represents persistence, tenacity and perseverance; the Root represents fundamental of human being — integrity.

Lenovo’s long-term organization and talent strategy remains steadily focused on hiring and engaging world-class talent, building global organization and talent capabilities and skills, and fostering an inclusive environment where people can thrive at their full potential.

## Training & Development

We have enhanced our management and leadership development programs to provide support for managers during their leadership progression at Lenovo by offering specific training and development experiences, for example Executive Presence Workshop (EPW), Leadership Advancement for Transformation (LAT), Coaching With Impact (CWI), Leading In Matrix Environment (LIME), etc at key points in their careers.

Lenovo also places a high priority on executive leaders development, bringing senior leaders together once a year to share best practices, learn from external experts and drive strategic alignment across the enterprise through Global Leadership Team (GLT), Excelling Leadership In Transformation Era (ELITE) and Striving Excellence in Executive Director (SEED).

To accelerate our journey toward becoming an AI-ready organization, we have developed and delivered a comprehensive series of AI training sessions. These efforts are building the capabilities our talent needs to adopt AI responsibly across the business and to unlock productivity improvements throughout the company.



# Financial highlights

## Results

| For the year ended March 31                                                 | 2026<br>US\$'000   | 2025<br>US\$'000 |
|-----------------------------------------------------------------------------|--------------------|------------------|
| Revenue                                                                     | <b>83,074,555</b>  | 69,076,968       |
| Gross profit                                                                | <b>12,809,422</b>  | 11,097,610       |
| Gross profit margin                                                         | <b>15.4%</b>       | 16.1%            |
| Operating expenses                                                          | <b>(9,547,679)</b> | (8,933,457)      |
| Operating profit                                                            | <b>3,261,743</b>   | 2,164,153        |
| Other non-operating income/(expenses) — net                                 | <b>(591,835)</b>   | (683,283)        |
| Profit before taxation                                                      | <b>2,669,908</b>   | 1,480,870        |
| Profit for the year                                                         | <b>2,159,913</b>   | 1,461,952        |
| Profit attributable to equity holders of the Company                        | <b>1,911,951</b>   | 1,384,445        |
| Earnings per share attributable to equity holders of the Company (US cents) |                    |                  |
| — Basic                                                                     | <b>15.63</b>       | 11.30            |
| — Diluted                                                                   | <b>13.91</b>       | 10.62            |
| EBITDA                                                                      | <b>5,015,022</b>   | 3,873,533        |
| Adjusted operating profit                                                   | <b>3,124,639</b>   | 2,454,124        |
| Adjusted profit before taxation                                             | <b>2,651,215</b>   | 1,815,110        |
| Adjusted profit for the year                                                | <b>2,118,450</b>   | 1,503,757        |
| Adjusted profit attributable to equity holders of the Company               | <b>2,048,739</b>   | 1,441,291        |
| Dividend per ordinary share (HK cents)                                      |                    |                  |
| — Interim dividend                                                          | <b>8.5</b>         | 8.5              |
| — Proposed final dividend                                                   | <b>33.7</b>        | 30.5             |

# Management's discussion & analysis

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 on pages 16 to 19 of this annual report.

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

|                                         | 2026<br>US\$'000 | 2025<br>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<br>US\$'000 | 2025<br>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)      |
| — <i>long-term incentive awards</i>                                             | (335,048)        | (290,245)        |
| — <i>severance and related costs</i>                                            | (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)        |
| — <i>amortization of internal use software</i>                                  | (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 construction-in-progress                                    | (385)            | (535)            |
| Loss on disposal of intangible assets                                           | (812)            | (2,954)          |
| 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)      |



# Management's discussion & analysis

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

|                                                  | 2026<br>US\$'000 | 2025<br>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<br>US\$'000 | Operating<br>profit<br>US\$'000 | Revenue<br>US\$'000 | Operating<br>profit/(loss)<br>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/<br>(expenses) — net                             |                     | (1,941,641)                     |                     | (1,733,060)                            |
| Depreciation and amortization                                                      |                     | (373,154)                       |                     | (437,179)                              |
| Impairment and write-off of intangible<br>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<br>ventures                                |                     | (16,181)                        |                     | (22,242)                               |
| Loss on disposal of property, plant and<br>equipment                               |                     | (874)                           |                     | (4,108)                                |
| Fair value gain on financial assets at<br>fair value through profit or loss        |                     | 326,645                         |                     | 58,777                                 |
| Fair value gain/(loss) on derivative<br>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                              |

# Management's discussion & analysis

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.

## 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 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<br>profit<br>US\$'000 | Profit before<br>taxation<br>US\$'000 | Profit for<br>the year<br>US\$'000 | Profit<br>attributable<br>to equity<br>holders<br>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<br>at fair value through profit or loss                              | (330,266)                       | (330,266)                             | (284,630)                          | (104,053)                                                  |
| Amortization of intangible assets<br>resulting from mergers and acquisitions                                    | 65,152                          | 69,884                                | 54,581                             | 54,581                                                     |
| Impairment and write-off of intangible<br>assets, property, plant and equipment<br>and construction-in-progress | 18,449                          | 18,449                                | 18,075                             | 17,668                                                     |
| Fair value gain on derivative financial<br>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<br>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                                                  |

# Management's discussion & analysis

Year ended March 31, 2025

|                                                                                    | Operating profit<br>US\$'000 | Profit before<br>taxation<br>US\$'000 | Profit for<br>the year<br>US\$'000 | Profit<br>attributable<br>to equity<br>holders<br>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<br>at fair value through profit or loss | (59,552)                     | (59,552)                              | (44,530)                           | (29,489)                                                   |
| Amortization of intangible assets<br>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<br>assets                                   | 123,140                      | 123,140                               | 123,140                            | 123,140                                                    |
| Fair value loss on derivative financial<br>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                                                  |

## Financial position

The Group's major balance sheet items are set out below:

| Non-current assets                                                | 2026<br>US\$'000  | 2025<br>US\$'000 |
|-------------------------------------------------------------------|-------------------|------------------|
| Property, plant and equipment                                     | <b>2,323,913</b>  | 2,026,280        |
| Right-of-use assets                                               | <b>648,835</b>    | 592,340          |
| Construction-in-progress                                          | <b>546,072</b>    | 282,309          |
| Intangible assets                                                 | <b>7,920,745</b>  | 8,232,977        |
| Interests in associates and joint ventures                        | <b>266,950</b>    | 315,704          |
| Deferred income tax assets                                        | <b>3,761,785</b>  | 3,055,905        |
| Financial assets at fair value through profit or loss             | <b>2,030,501</b>  | 1,464,384        |
| Financial assets at fair value through other comprehensive income | <b>49,648</b>     | 45,382           |
| Other non-current assets                                          | <b>378,349</b>    | 311,448          |
|                                                                   | <b>17,926,798</b> | 16,326,729       |

## **Property, plant and equipment**

Property, plant and equipment comprise mainly the Group's freehold land and buildings, leasehold improvements, plant and machinery, furniture and fixtures, office equipment, equipment held for lease and motor vehicles. The 15 percent increase is mainly attributable to the Group's investments in equipment held for lease, office equipment and plant and machinery, transfer of completed assets from construction-in-progress, to cope with business growth, and exchange adjustments; partly offset by current year depreciation.

## **Right-of-use assets**

Right-of-use assets comprise mainly the land use rights in respect of the manufacturing sites and headquarters in the Mainland of China ("Chinese Mainland"), and leases of land and buildings for manufacturing sites and offices in Chinese Mainland and overseas. The 10 percent increase is mainly attributable to lease renewals and new leases entered into during the year, partly offset by current year depreciation and lease contracts terminated during the year.

## **Construction-in-progress**

Construction-in-progress comprise mainly the Group's investments in manufacturing sites and office buildings, internal use software and patent and technology under development. Internal use software under development mainly comprises online platform development and system enhancement for business operations. The 93 percent increase is mainly attributable to further investment in internal use software, technology and buildings under construction during the year, partly offset by transfer of completed assets to property, plant and equipment and intangible assets.

## **Intangible assets**

Intangible assets comprise goodwill and other intangible assets including trademarks and trade names, customer relationships, patents and technology, internal use software and exclusive rights. The 4 percent decrease is mainly due to current year amortization, impairment and write-off of patents and technology, partly offset by additional investments in patents and technology and transfer of completed internal use software from construction-in-progress to cope with the growth of business and exchange adjustments.

The Group completed the impairment test for goodwill allocated to the Group's various cash generating units ("CGUs") by comparing their recoverable amounts to their carrying amounts as at the reporting date. The recoverable amount of a CGU is determined based on value in use. These assessments use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flow of the CGU extrapolated using constant projection of cash flows beyond the five-year period. The directors are of the view that there was no indication of impairment of goodwill based on impairment tests performed.

## **Interests in associates and joint ventures**

Interests in associates and joint ventures comprise the share of net assets of and loan to associates and joint ventures. The 15 percent decrease is mainly attributable to the impairment of associates and share of losses, partly offset by additional investments and exchange adjustments during the year.

## **Deferred income tax assets**

Deferred income tax assets amounted to US\$3,762 million as at year end, representing an increase of 23 percent, which is mainly attributable to temporary differences in relation to tax depreciation allowance, provisions and accruals and deferred revenue arising in the normal course of business, partly offset by utilization and reversal of tax losses. Deferred income tax assets are recognized to the extent that realization of the related tax benefit through the future taxable profits is probable.

## **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss increased by 39 percent during the year, which is mainly attributable to additional investments, net fair value gain recognized and exchange adjustments, partly offset by disposal of certain financial assets.



# Management's discussion & analysis

## Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income increased by 9 percent during the year, which is mainly attributable to net fair value gain recognized and exchange adjustments.

| Current assets                              | 2026<br>US\$'000 | 2025<br>US\$'000 |
|---------------------------------------------|------------------|------------------|
| Inventories                                 | 11,720,885       | 7,923,804        |
| Trade, lease and notes receivables          | 14,502,738       | 10,506,610       |
| Derivative financial assets                 | 174,916          | 53,690           |
| Deposits, prepayments and other receivables | 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       |

### Inventories

The Group's inventories comprise raw materials and work-in-progress, finished goods and service parts where raw materials and work-in-progress accounted for more than 60 percent of total inventories. The Group's inventories purchase and production plan are primarily based on expectations on market demand. The 48 percent increase is mainly attributable to the higher raw materials inventory level in response to the industry-wide component shortage which has driven up component cost, and the Group strives to source more components to cope with the increase in market demand.

### Trade, lease and notes receivables

Trade, lease and notes receivables increased by 38 percent which is attributable to the increase in sales in the fourth quarter of current year over the corresponding period of last year. The Group has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis. Majority of trade receivables are aged within 30 days based on invoice date.

### Derivative financial assets

Derivatives relate to foreign currency forward contracts that are designated as hedges for the fair value of recognized assets or liabilities or a firm commitment, or of highly probable forecast transactions. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The 226 percent increase is mainly attributable to the fair value gain recognized for the derivatives during the year.

### Deposits, prepayments and other receivables

Deposits, prepayments and other receivables mainly comprise amounts due from subcontractors for components delivered in the ordinary course of business and other tax receivables. The 76 percent increase is mainly attributable to the increase in amounts due from subcontractors as a result of more business activities during the fourth quarter of current year than in the corresponding period of last year.

## Cash and cash equivalents

The 3 percent increase is mainly attributable to net cash generated from operating activities, partly offset by net cash used in investing activities and financing activities. The working capital management enables the Group to maintain sufficient cash to meet operational, financing and investing needs.

| <b>Total equity</b> | <b>2026<br/>US\$'000</b> | <b>2025<br/>US\$'000</b> |
|---------------------|--------------------------|--------------------------|
| Share capital       | <b>3,500,987</b>         | 3,500,987                |
| Reserves and others | <b>4,942,626</b>         | 3,158,930                |
|                     | <b>8,443,613</b>         | 6,659,917                |

## Total equity

Reserves and others increased from US\$3,159 million to US\$4,943 million which is mainly due to profit for the year, share-based compensation credited to reserves, exchange adjustments, fair value change on cash flow hedges from foreign exchange forward contracts and capital contribution from non-controlling interests, partly offset by dividends payment, purchase of shares by employee share trusts, and vesting of shares under long-term incentive program.

| <b>Non-current liabilities</b>   | <b>2026<br/>US\$'000</b> | <b>2025<br/>US\$'000</b> |
|----------------------------------|--------------------------|--------------------------|
| Borrowings                       | <b>3,862,595</b>         | 4,337,806                |
| Warranty provision               | <b>169,547</b>           | 159,400                  |
| Deferred revenue                 | <b>1,969,201</b>         | 1,628,942                |
| Retirement benefit obligations   | <b>203,822</b>           | 220,784                  |
| Deferred income tax liabilities  | <b>310,638</b>           | 270,268                  |
| Derivative financial liabilities | <b>45,182</b>            | 241,778                  |
| Other non-current liabilities    | <b>766,920</b>           | 717,784                  |
|                                  | <b>7,327,905</b>         | 7,576,762                |

## Borrowings

Borrowings (classified as non-current) decreased by US\$475 million, mainly due to the reclassification of the 2029 Convertible Bonds from non-current liabilities to current liabilities, as the bondholders have the right to require the Company to redeem the 2029 Convertible Bonds on a specific date within the next twelve months, partly offset by notional interest of other convertible bonds and notes.

## Warranty provision

The Group records warranty liabilities at the time of sale for the estimated costs that will be incurred under its basic limited warranty. The specific warranty terms and conditions vary depending upon the product and the country in which it was sold, but generally includes technical support, repair parts and labour associated with warranty repair and service actions. The period ranges from one to three years. The Group revalues its estimates on a quarterly basis to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

# Management's discussion & analysis

## Deferred revenue

Deferred revenue (classified as non-current) primarily relates to the Group's unfulfilled performance obligations over extended warranty services at the reporting date for which consideration has been received. The 21 percent increase is mainly due to the growth of business during the year.

## Retirement benefit obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

## Deferred income tax liabilities

Deferred income tax liabilities amounted to US\$311 million as at year end, representing an increase of 15 percent, which is mainly attributable to the withholding tax on undistributed earnings and accelerated tax depreciation.

## Derivative financial liabilities

Derivative financial liabilities (classified as non-current) represent the warrants issued by the Company. Derivatives are initially recognized at fair value on the date that the warrant contract is entered into and are subsequently re-measured at fair values. The 81 percent decrease is attributable to the net fair value gain recognized for the warrants during the year and reclassification of a portion to current liabilities.

## Other non-current liabilities

Other non-current liabilities mainly comprise liabilities arising from long-term lease liabilities, deferred consideration and government incentives and grants received in advance. The 7 percent increase is mainly attributable to the new lease contracts entered during the year.

| Current liabilities              | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------|------------------|------------------|
| Trade and notes payables         | 19,236,706       | 11,978,933       |
| Derivative financial liabilities | 99,239           | 197,196          |
| Other payables and accruals      | 17,279,079       | 13,904,384       |
| Provisions                       | 945,068          | 852,593          |
| Deferred revenue                 | 1,987,839        | 1,565,459        |
| Income tax payable               | 931,202          | 465,216          |
| Borrowings                       | 878,443          | 1,030,352        |
|                                  | 41,357,576       | 29,994,133       |

## Trade and notes payables

The increase in trade and notes payables by 61 percent is mainly attributable to the increase in business activities in the fourth quarter of current year over the corresponding period of last year.

## Derivative financial liabilities

Derivative financial liabilities (classified as current) relate to warrants issued by the Company and foreign currency forward contracts that are designated as hedges for the fair value of recognized assets or liabilities or a firm commitment, or of highly probable forecast transactions. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair values. The 50 percent decrease is mainly attributable to the net fair value gain recognized for the foreign currency forward contracts and warrants during the year, partly offset by reclassification of a portion of warrants to current liabilities.



## Other payables and accruals

Other payables and accruals mainly comprise the obligations to pay for finished goods and services that have been acquired in the ordinary course of business from subcontractors; allowance for billing adjustments relating primarily to allowance for future volume discounts, price protection, rebates, and customer sales returns; accruals for salaries, commission and bonus, written put option liabilities and lease liabilities. The increase of 24 percent is mainly attributable to the increase in payables to subcontractors, allowance for billing adjustments and accruals for salaries, commission and bonus driven by expanded business activities.

## Provisions

Provisions comprise warranty provision (due within one year), environmental restoration and restructuring provisions. The 11 percent increase is driven by the net increase in warranty provision driven by increase in business activities and the restructuring provision made during the year.

## Deferred revenue

Deferred revenue (classified as current) primarily relates to the Group's unfulfilled performance obligations over extended warranty services at the reporting date for which consideration has been received. The 27 percent increase is mainly due to the growth of business during the year.

## Income tax payable

Income tax payable doubled during the year, mainly driven by the Group's higher assessable profit and change in profitability of the Group's subsidiaries in respective countries they are operating.

## Borrowings

Borrowings (classified as current) decreased by US\$152 million which is mainly attributable to the repayment of the 2025 Note upon maturity, partly offset by the reclassification of the 2029 Convertible Bonds from non-current liabilities to current liabilities, as the bondholders have the right to require the Company to redeem the 2029 Convertible Bonds on a specific date within the next twelve months.

## 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.

## 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.

# 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).

# Management's discussion & analysis

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<br>% | 2025<br>% |
|-------------------|-----------|-----------|
| 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<br>US\$ million | Term    | Utilized amount at   |                      |
|-------------------------|-------------------|----------------------------------|---------|----------------------|----------------------|
|                         |                   |                                  |         | 2026<br>US\$ million | 2025<br>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 |                      | Utilized amount at   |                      |
|------------------------------------|---------------------------|----------------------|----------------------|----------------------|
|                                    | 2026<br>US\$ million      | 2025<br>US\$ million | 2026<br>US\$ million | 2025<br>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 24 to the Financial Statements.

|                        | Issue date       | Principal amount  | Term      | Interest/<br>coupon<br>rate<br>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<br>US\$ million | 2025<br>US\$ million |
|----------------------------------------------------|----------------------|----------------------|
| Bank deposits and cash and cash equivalents        | <b>4,983</b>         | 4,817                |
| Borrowings                                         |                      |                      |
| — Short-term loans                                 | <b>281</b>           | 65                   |
| — Notes                                            | <b>2,053</b>         | 3,015                |
| — Convertible bonds                                | <b>2,407</b>         | 2,288                |
| Net cash/(debt) position                           | <b>242</b>           | (551)                |
| Total equity                                       | <b>8,444</b>         | 6,660                |
| Gearing ratio (Borrowings divided by total equity) | <b>0.56</b>          | 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.



# Formula 1<sup>®</sup> races towards faster, smarter, more sustainable sport with Lenovo

Read More



Lenovo

A Global Technology Partner of Formula 1<sup>®</sup>

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# Formula 1® relies on Lenovo to power the technological backbone that brings the exhilaration of race day to more than 820 million fans all over the world.

From the racetrack to the Media & Technology Centre in Biggin Hill, UK, Lenovo provides the AI devices, innovative solutions, and robust IT infrastructure that support everyone, from executives to track-side operational engineers.

Every race weekend, Formula 1 is responsible for securely collecting and distributing enormous volumes of data, including real-time timing, car telemetry and tire data, as well as team radios and all camera and audio feeds. This data is shared with racing teams and the FIA and transformed into thrilling content delivered to more than 180 territories in just seconds. In total, over 650 terabytes of data are transferred each event weekend, contributing to over 500 hours of live TV broadcast throughout the season and more than 200 hours of post-produced content.

The vast amount of data generated during each event, combined with the globally

mobile nature of the sport – spanning 24 cities on five continents over just nine months – means that F1 requires exceptionally high levels of performance, mobility, and reliability. Lenovo's technology infrastructure is built to meet these needs, powering split-second decisions and keeping pace with the breakneck innovation of motorsport.

Lenovo technology also supports F1's ambitious sustainability goals through hardware consolidation enabled by increased performance and processing capabilities, as well as a strategy for end-of-life tech that prioritizes sustainability through Lenovo's Asset Recovery Service. F1 has also deployed Neptune® Liquid Cooling technology, which enhances HPC capabilities for more powerful AI and data workloads while increasing energy efficiency compared to traditional air-cooled systems.



# Corporate governance report

## 1 Corporate governance principles and structure

How we uphold strong governance standards and structure

- Compliance with Corporate Governance Code
- Governance structure
- Corporate culture

## 2 Leadership

How the Board leads from the front

- Board composition, roles and key features
- Board diversity and tenure
- Board skills and experience
- Nomination, appointment and election
- Directors' securities transactions
- Induction and continuous professional development
- Remuneration of directors and senior management
- Company secretary

## 3 Board Effectiveness

How the Board operates

- Board's responsibilities and delegation to management
- Board process
- Board committees
- Meetings and attendance
- Board and Board committees' effectiveness review

## 4 Accountability and audit

How the Board fulfils its oversight responsibilities

- Financial reporting
- Risk management and internal control
- External auditor

## 5 Investor relations

How we maintain relations with our investors

- Communications with investors
- Market recognition
- Index recognition

## 6 Shareholders

How we communicate with our shareholders and their rights

- Communications with shareholders
- Shareholders' rights
- Dividend policy
- Shareholders information
- Shareholding structure

## 7 Key stock information

How we present key listing and market information

- Listing information
- Market capitalization

## **1 Corporate governance principles and structure**

The board of directors (the “Board”) and the management of Lenovo Group Limited (the “Company”, together with its subsidiaries, “Lenovo”, “Lenovo Group” or the “Group”) strive to attain and uphold a high standard of corporate governance and to maintain sound and well-established corporate governance practices for the interest of shareholders and other stakeholders including, but not limited to, employees, customers, suppliers and the general public. The Group abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes review of its corporate governance system to ensure it is in line with international and local best practices.

### **Compliance with Corporate Governance Code**

Throughout the financial year ended March 31, 2026 (“FY2025/26”), 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 the Chairman and the CEO by Mr. Yang Yuanqing (“Mr. Yang”) is appropriate and beneficial to the Group as it provides consistency of the strategy execution and stability in the operations of the Group. The Board, comprising a majority of independent non-executive directors, meets regularly on a quarterly basis to review the operations of the Group 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 powers and authorizations between the Board and the management of the Company.

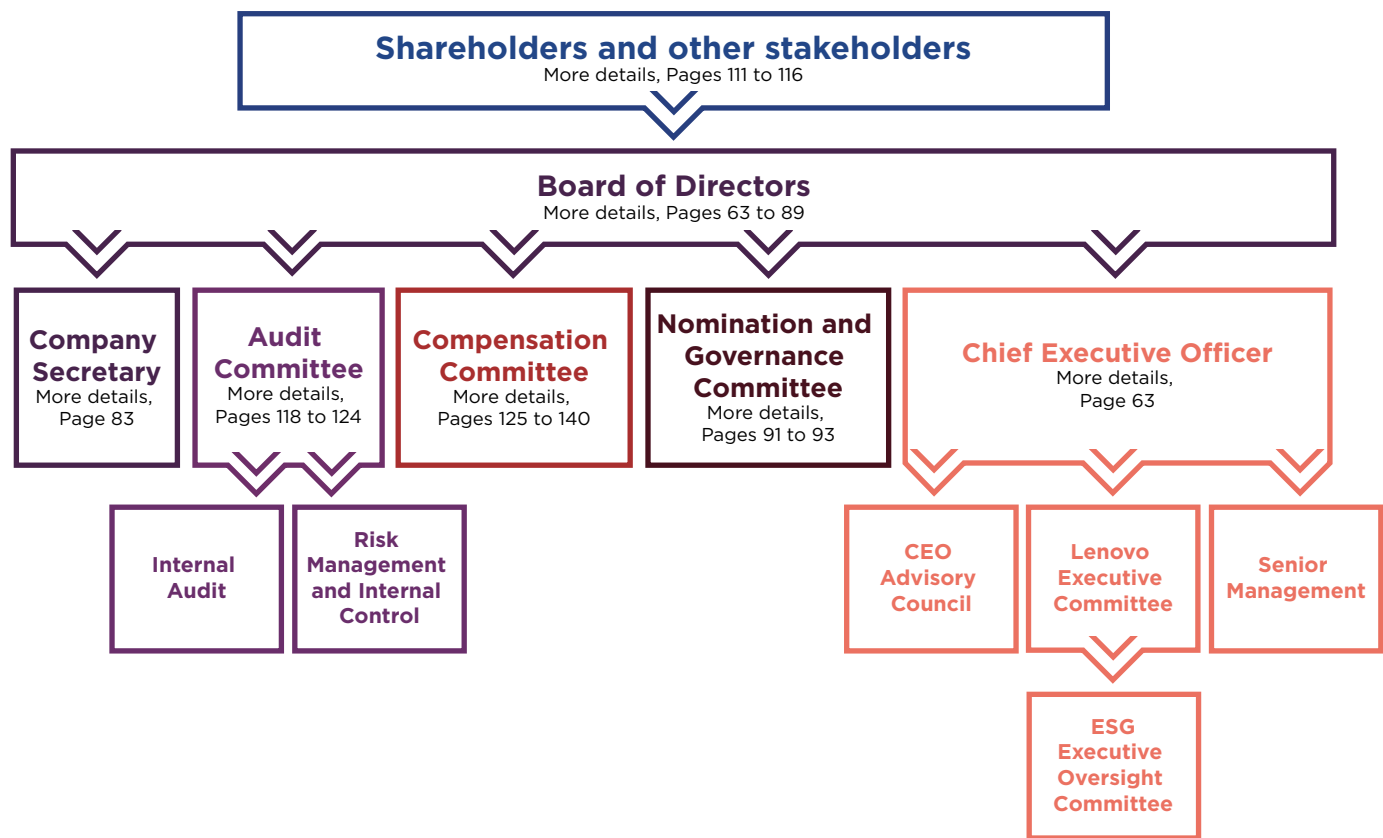
In relation to the recommended best practices in the CG Code, the Company has, where appropriate, adopted such practices to enhance its corporate governance framework. Notable practices include the publication of quarterly financial results and business reviews, in addition to interim and annual results, which enhance shareholders’ ability to assess the Group’s performance, financial position and prospects. The quarterly financial results are prepared using accounting standards consistent with those applied to the interim and annual financial statements.



# Corporate governance report

The Board has established a clear governance structure, as set out in the diagram below, which is designed to support the Group’s organizational structure to ensure the accountability, fairness and transparency in its operation and stakeholder communications, while enabling the Group to respond effectively to future challenges.

## Governance structure



|                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Key matters reserved to the Board’s decision</b> <ul style="list-style-type: none"><li>• The Board has established a framework of key matters relating to strategy, finance and corporate governance that are reserved for its decision.</li><li>• Such key matters reserved by the Board for decision are set out in the table on page 84.</li></ul> | <b>Board committees structure</b> <ul style="list-style-type: none"><li>• The Board has delegated authority for its key governance functions to three Board committees, namely Audit Committee, Compensation Committee and Nomination and Governance Committee (the “Board Committees”), with the responsibilities outlined on page 90.</li><li>• Details of the activities and decisions taken by the Board Committees during the year are shown in the relevant committees’ reports.</li></ul> | <b>CEO, Lenovo Executive Committee and delegated authorities</b> <p><b>The CEO</b></p> <ul style="list-style-type: none"><li>• manages the business in line with the strategy agreed by the Board and is accountable to it. Details of the responsibilities of CEO are set out on page 63;</li><li>• is supported by the Lenovo Executive Committee, which is a management committee comprising the CEO and all senior management and helps to implement strategy and manage operational performance; and</li><li>• delegates certain management decisions to specific individuals and management through authority framework adopted by the Group.</li></ul> <p><b>The CEO Advisory Council</b></p> <ul style="list-style-type: none"><li>• comprises external experts from various areas (the “Specialized Areas”), including geopolitics, economics, artificial intelligence (“AI”), cybersecurity and Environmental, Social and Governance (“ESG”); and</li><li>• advises the CEO and senior management on strategic and operational issues in key areas, among others, the Specialized Areas.</li></ul> <p><b>ESG Executive Oversight Committee</b></p> <ul style="list-style-type: none"><li>• is a committee chaired by the Chief Legal and Corporate Responsibility Officer and comprising senior management from across the business and functional units;</li><li>• is chartered to promote Lenovo culture that encourages strong ESG performance; and</li><li>• provides strategic direction and facilitates the coordination of ESG efforts across the Group.</li></ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



## Corporate culture

“We Are Lenovo” represents the Company’s established culture and the way employees work together as one team. Its core values-Serving our Customers, Entrepreneurship, Innovation, and Teamwork with Integrity & Trust-provide the foundation that guides employee behavior and supports the execution of the Company’s vision, mission, and strategy.

In response to the evolving external environment, including the rapid development of artificial intelligence technologies, Lenovo has introduced Entrepreneurship 5.0 as an extension of its existing cultural framework, to clarify expected behaviors and leadership practices in the current business context.

Entrepreneurship 5.0 focuses on three dimensions, which are also illustrated in the diagram below:

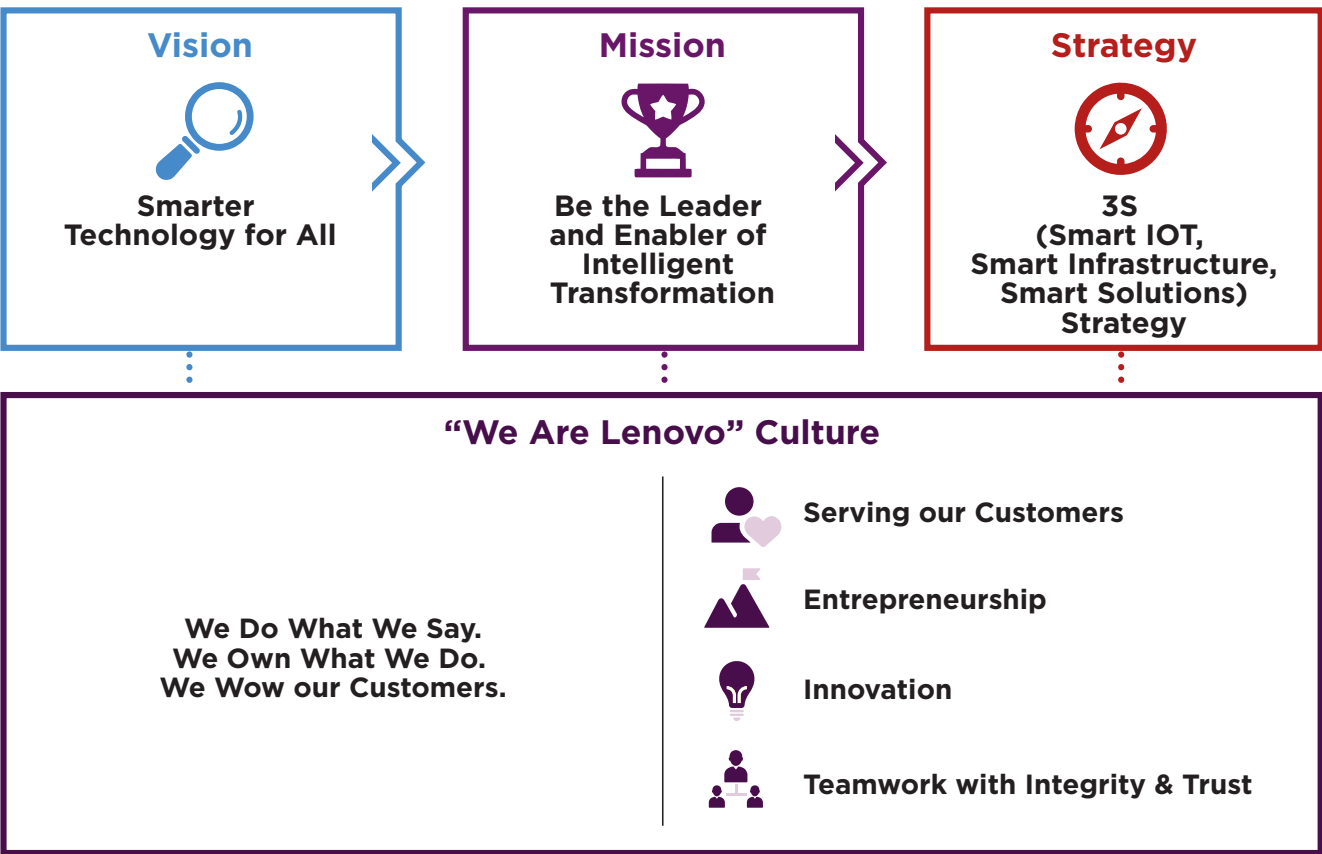
- Commit to Lenovo Vision
- Innovate and Lead Change
- Act Boldly



Entrepreneurship 5.0 was formally introduced by the Chairman/CEO at the FY2025/26 Kick-off Meeting and subsequently formally launched at the Global Leadership Team (GLT) meeting in September 2025 as a key cultural focus for the AI era. Since its launch, the Company has observed increasing adoption of these principles across the organization, with employees and leaders beginning to apply them in daily work and decision-making.

# Corporate governance report

The Board recognises that Lenovo’s culture is integral to the execution of its strategy and the achievement of its vision and mission. The “We Are Lenovo” culture, reinforced by Entrepreneurship 5.0, guides leadership behaviours and decision making, supporting innovation, accountability and agility in advancing the 3S strategy and intelligent transformation. The Board oversees the alignment of culture with the Company’s purpose, vision, mission and strategic priorities.



The Board is responsible for ensuring that the Company’s culture remains aligned with its vision, mission, values and strategy. The Board meets at least quarterly, during which the CEO and the Chief Financial Officer submit reports, together with updates on key strategic matters, for the Board’s consideration. These reports enable the Board to monitor and evaluate the implementation of the Group’s strategy and its performance. Relevant information on the Company’s culture and 3S Strategy is disclosed in the “Chairman & CEO Statement” and “Management’s discussion & analysis” sections of this annual report.

## 2 Leadership



### Board composition, roles and key features

As of the date of this annual report, there are 12 Board members consisting of one executive director, four non-executive directors and seven independent non-executive directors. The Board has a coherent framework with clearly defined responsibilities and accountabilities designed to safeguard and enhance long-term shareholder values and provide a robust platform to realise the strategy of the Group. A summary of responsibilities of leadership of the Company, including directors and CEO, is set out in the diagram below.

#### Chairman

##### Mr. Yang Yuanqing <sup>N</sup>

- Leads the Board in the strategy determination and the objectives achievement
- Leads the Board to align Lenovo culture with its vision, mission, values and strategy and ensures that all directors acting with integrity, lead by example, and promoting the desired culture
- Provides leadership and manages the Board to ensure that all directors are properly briefed on issues arising at Board meetings and receive adequate, complete and reliable information in a timely manner
- Approves the agendas for Board meetings, taking full account of the issues and concerns of Board members
- Facilitates and encourages active engagement of Board members by drawing on directors' skills, experience and knowledge
- Ensures good corporate governance practices and procedures are established and effective communications with shareholders and other stakeholders

#### Lead independent director

##### Mr. John Lawson Thornton <sup>N</sup>

- Serves as chairman of the Nomination and Governance Committee meeting and/or the Board meeting whenever considering the combined roles of the Chairman and CEO
- In consultation with all other board members, prepares an assessment of the performance of the Chairman and/or CEO
- Calls and chairs meeting(s) with all non-executive directors at least once a year on matters deemed appropriate and provides feedback to the Chairman and/or CEO
- Serves a key role in the Board evaluation process
- Responds directly to questions and comments from shareholders and other stakeholders of the Company that are directed to the Lead Independent Director or to the independent non-executive directors as a group, when appropriate
- Ensures his availability for consultation and direct communication, when appropriate, if requested by major shareholders of the Company
- Performs other duties as the Board may designate

#### Non-executive directors

*Independent non-executive directors:*

**Mr. John Lawson Thornton <sup>N</sup>**  
**Mr. Gordon Robert Halyburton Orr <sup>C A</sup>**  
**Mr. Woo Chin Wan Raymond <sup>A</sup>**  
**Ms. Yang Lan <sup>N</sup>**  
**Ms. Cher Wang Hsiueh Hong**  
**Professor Xue Lan <sup>N</sup>**  
**Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted) <sup>A C</sup>**

*Non-executive directors* <sup>Note 1:</sup>

**Mr. Zhu Linan**  
**Mr. Zhao John Huan <sup>C</sup>**  
**Mr. Wong Wai Ming <sup>A</sup>**  
**Ms. Laura Green Quatela <sup>N</sup>**

- Participate in Board meetings to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct
- Take the lead where potential conflicts of interests arise
- Scrutinise the Group's performance in achieving agreed corporate goals and objectives, and monitor performance reporting
- Make a positive contribution to the development of the Group's strategy and policies through independent, constructive and informed comments
- Ensure alignment of Lenovo culture with its vision, mission, values and strategy, and ensures that all directors acting with integrity, lead by example, and promoting the desired culture. Such culture should instil and continually reinforce across Lenovo values of acting lawfully, ethically and responsibly
- Engage with senior management and other relevant parties to ensure that various concerns and issues relevant to the management and oversight of business and operations of the Group are properly addressed

#### Chief executive officer

##### Mr. Yang Yuanqing <sup>N</sup>

- Formulates and recommends the strategy of the Group to the Board
- Executes the strategy agreed by the Board
- Makes and implements operational decisions and manages the business day-to-day
- Leads the business and the management team

#### Key

<sup>A</sup> Audit Committee

<sup>C</sup> Compensation Committee

<sup>N</sup> Nomination and Governance Committee

<sup>●</sup> Committee Chairman

Note:

1. During the year, Mr. Amit Midha was appointed as a non-executive director of the Company with effect from August 13, 2025 and subsequently resigned from the office with effect from April 16, 2026.

# Corporate governance report

| Key features of the Board                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p><b>Balanced composition and diversity</b></p> <p>The Board maintains an appropriate balance of gender, ethnicity, cultural background, skills and experience, with a mix of regional and industry expertise to support effective deliberation and decision-making.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|    | <p><b>Strong independent oversight</b></p> <p>The current composition of the Board exceeds the requirements under Rules 3.10 and 3.10A of the Listing Rules, as a majority of its members are independent non-executive directors, with the ability to exercise independent judgement.</p> <p>An independent non-executive director of the Company, Mr. John Lawson Thornton, has been appointed as the Lead Independent Director to further strengthen Board oversight and governance. This is consistent with the CG Code requirements where the Board does not have an independent chair. The roles and responsibilities of the Lead Independent Director are set out on page 63 of this annual report.</p> |
|    | <p><b>Robust Board skills matrix</b></p> <p>The Board is supported by a skills matrix, ensuring a balanced mix of competencies aligned with the Group's strategic priorities, global operations and evolving business environment. Details of the Board skills matrix are set out in page 69 of this annual report.</p>                                                                                                                                                                                                                                                                                                                                                                                        |
|  | <p><b>Active Nomination and Governance Committee oversight</b></p> <p>The Nomination and Governance Committee regularly reviews the Board's composition, independence and succession planning to maintain its effectiveness.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|  | <p><b>Regular Board evaluation</b></p> <p>The Board conducts biennial evaluations of its performance and effectiveness to support continuous improvement. Details of the Board evaluation are set out on pages 96 and 97 of this annual report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|  | <p><b>Oversight of corporate culture and ESG matters</b></p> <p>The Board oversees corporate culture and ESG matters, ensuring alignment with the Group's strategy and providing strategic oversight of ESG priorities, risks and performance.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



Board diversity and tenure

The structure, size and composition of the Board are reviewed from time to time by the Nomination and Governance Committee, taking into account, among other things, gender, age, skills, experiences and tenure of service, to ensure that the Board has maintained an appropriate balance of skills and expertise for providing effective leadership to the Company and meeting the needs of the Group.

The Board adopted a board diversity policy (the “Board Diversity Policy”) aiming to set out the Company’s commitment to fostering a corporate culture that embraces diversity on the Board. A summary of the Board Diversity Policy, including the perspectives adopted and the measurable objectives, is set out on page 66 of this annual report.

The following diagram illustrates the diversity profile as at the date of this annual report while the details in the Board skills and experience are set out on page 69 of this annual report and the detailed biographies of the directors are set out on pages 147 to 150 of this annual report.

Designation



Gender



Age



# Corporate governance report

## Board diversity policy

The Board values diversity as a factor in selecting candidates to serve on the Board and believes that the diversity which exists in its composition provides significant benefits to the Board and the Company and forms an important part of the nomination policy (the “Nomination Policy”) as adopted by the Board.

The Board believes that a key success factor of an effective Board is that it comprises a range and balance of skills, experience, knowledge and independence, with individuals that work as a team. The adoption of Board Diversity Policy is to ensure that diversity in its broadest sense continues to remain a feature of the Board. All Board appointments are made on merit, in the context of the skills, experience and gender diversity, the Board as a whole requires being effective. The details of the appointment process are disclosed on page 70 of this annual report.

The Nomination and Governance Committee has been delegated with the responsibilities for the review of the Board Diversity Policy, among others, the implementation and effectiveness thereof, on an annual basis. During FY2025/26, the Nomination and Governance Committee reviewed the below measurable objectives and the progress in achieving these objectives:

| Measurable objectives                                                               |                                                                                                                                                                                                                            | Progress for achieving objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Objective 1</b><br>Consider candidates for appointment as directors from a wide pool of candidates with different backgrounds, skills, experience and perspectives that would complement the existing Board's diversity | <ul style="list-style-type: none"> <li>As at the date of this annual report, the female representation at Board level was 25% (i.e. three female directors out of 12 directors), exceeding the target of 20% female Board to be achieved by FY2025/26, as set by the Board in 2022</li> <li>In the ordinary course of the Board succession process, the Board conducts an ongoing search for suitable candidates for appointment as independent non-executive directors to enhance its independence and further strengthen Board diversity</li> </ul> |
|  | <b>Objective 2</b><br>Report annually against the objectives and other initiatives within the Group that promote diversity                                                                                                 | <ul style="list-style-type: none"> <li>The Board evaluation process includes an assessment of the Board's diversity, helping to objectively consider Board composition and effectiveness</li> <li>Conducted annually</li> </ul>                                                                                                                                                                                                                                                                                                                       |
|  | <b>Objective 3</b><br>Report annually on the outcome of the composition and structure of the Board as well as any issues and challenges the Board faces in light of its diverse combination                                | <ul style="list-style-type: none"> <li>Make use of the Board evaluation process as an important means of monitoring progress</li> <li>Remain committed to achieving the right balance in Board composition and to understanding and managing the challenges the Group faces in the global information technology sector, particularly in internet, mobile, data center, software, cloud, services and solutions, telecommunications, AI and ESG areas</li> <li>Conducted annually</li> </ul>                                                          |

Senior management diversity

The support of a diversified management team is essential to the effectiveness of the Board. As at the date of this annual report, female represented approximately 18.18% of the Group’s senior management, and the team demonstrates a balance of composition in term of diversity, including gender and age, as illustrated in the following diagram. For further details of the senior management, please refer to their biographies set out on pages 151 to 154 of this annual report.

Gender



Age



Workforce inclusion

As a global technology leader, Lenovo’s workplace inclusion programs and initiatives drive our business forward. Lenovo understands that inclusion is vital for innovation and seeks to create a workplace where everyone feels valued, respected, and can reach their full potential. Lenovo has offered programs and opportunities to promote understanding and inclusion across its global workforce for nearly 20 years. These include special trainings designed to help individuals develop across every phase of their career, from individual contributor to management, as well as guidance for bias mitigation with hiring managers. After meeting and exceeding 2020 executive representation goals, Lenovo continues to advance inclusion from top executive ranks to product development teams and early career hiring efforts. Currently with 25% executive representation of women, an industry-leading 29% representation of women on technical teams, and 37% representation of women in its global workforce, Lenovo is persistently working towards fair and inclusive workforce recruitment and advancement.

Lenovo also fosters an array of employee resource groups around the world, promoting understanding and inclusion in the workforce across all identities including gender, cultural background and ability. Lenovo’s inclusive culture has extended to its products through the Inclusive Product Design Office (IPDO), which seeks to integrate feedback from all consumer segments early in product development. As of March 31, 2026, the IPDO has met its goal to review 75% of Lenovo’s products to ensure they are inclusive, no matter a user’s background or ability. Lenovo is a signatory of the United Nations Women Empowerment Principles and has been recognized as a Best Place to Work for people with disabilities in the United States, Brazil, and the United Kingdom in 2025. With employees in more than 60 countries serving customers across 180 markets, Lenovo is reliant on the principles of mutual respect and inclusion and the unique strength these cultural values provide to its global business.

# Corporate governance report

## Tenure

In accordance with the articles of association of the Company (the “Articles of Association”), all directors are subject to retirement by rotation at least once every three years. At each annual general meeting, one-third of the directors then in office shall retire from office and shall be eligible for re-election. Any new appointments, whether to fill a casual vacancy or as an addition to the Board, are subject to re-election by shareholders of the Company at the next following annual general meeting of the Company. The chart below shows the tenure of the Board members as of the date of this annual report.

### Tenure of Board members



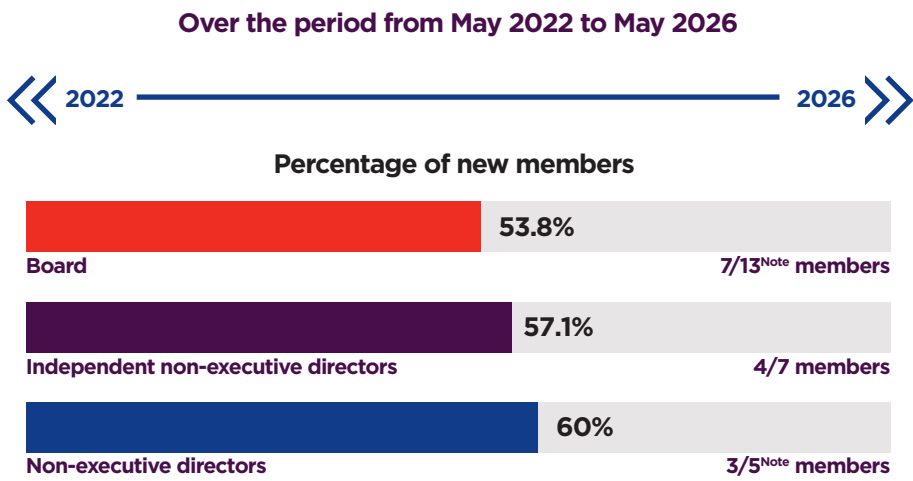
All non-executive directors (including independent non-executive directors) have entered into letters of appointment with the Company for a term of three years. Their appointment are subject to retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Articles of Association.

The Company recognises that the independence of directors is an important principle of good corporate governance. The Board adopted the principle (the “Principle”) that each term of an independent non-executive director of the Company shall not exceed three years and is subject to re-election by shareholders at any subsequent annual general meeting of the Company. Such term may be renewable for additional three-year periods, up to a maximum of nine years. This Principle reflects the Company’s established governance practices and is aligned with prevailing corporate governance best practices, including those stipulated in the CG Code. Upon the recommendation of the Nomination and Governance Committee and subject to compliance with the applicable requirements under the CG Code, the Board may, on a case-by-case basis, invite an independent non-executive director to serve for an additional three-year term, up to a total of 12 years subject to re-election at any subsequent annual general meeting of the Company. Such extension arrangement will cease to apply following the 2031 annual general meeting of the Company, with a view to achieving full alignment with the prevailing CG Code requirements relating to directors’ tenure.

In accordance with the Articles of Association, Mr. Zhao John Huan, Mr. John Lawson Thornton, Mr. Gordon Robert Halyburton Orr and Ms. Cher Wang Hsiueh Hong will retire at the forthcoming annual general meeting to be held on July 23, 2026 (“2026 Annual General Meeting”), and being eligible, will offer themselves for re-election at the 2026 Annual General Meeting.

## Refreshment of the Board

The Board addresses its diversity and the Group’s long-term success through regular refreshment of its composition. Board refreshment not only enhances the balance of skills, knowledge, experience and gender diversity, but also ensures that the Board remains agile and well-equipped to anticipate and respond to the Group’s future needs through adoption of effective long-term strategies. The diagram below illustrates how the Board has been refreshed since May 2022.



Note: The calculation has taken account into Mr. Amit Midha, a non-executive director of the Company, who was appointed on August 13, 2025 and subsequently resigned from the office with effect from April 16, 2026.



## Board skills and experience

To ensure that the Board continues to possess an appropriate balance of skills, experience and diversity necessary to support the Group's business and strategic development, the Nomination and Governance Committee regularly reviews the composition of the Board with reference to the Board skills matrix. The skills matrix is used to assess the Board's collective capabilities, identify any gaps and support succession planning and director appointments.

The Board skills matrix has been developed having regard to the Group's strategic priorities, global operations and evolving business environment. The table below and on pages 147 to 150 sets out the relevant skills, experience and areas of expertise collectively represented on the Board, demonstrating the diverse mix of capabilities that directors bring to Board and Board Committee deliberations.

| Skills area                                                                                                                                                                               | Board coverage | Descriptions                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  Strategy and strategic planning                                                                         | 100%           | Ability to identify strategic opportunities and threats and to oversee the development and execution of strategies aligned with Lenovo's long-term vision and business objectives                                                                                                                                                                          |
|  Industry knowledge and experience                                                                       | 67.7%          | Understanding of the Group's businesses and industries, including computers and mobile devices, data centers, cloud and enterprise solutions, supply chain and manufacturing, and emerging topics (e.g., AI), as well as relevant market trends, technology and innovation                                                                                 |
|  Leadership                                                                                             | 91.7%          | Ability to lead corporate teams effectively and to implement plans and policies aligned with the Group's long-term objectives                                                                                                                                                                                                                              |
|  Global experience                                                                                     | 83.3%          | Experience in overseeing businesses and investments across diverse geographic markets, with an understanding of international operations, cross-border regulatory environments and global capital markets, enabling effective review of the Group's worldwide business and financial activities                                                            |
|  Financial literacy/business acumen                                                                    | 75%            | Ability to understand and critically assess financial statements, corporate accounts and financial reporting requirements, with experience in finance, accounting and auditing, capital markets and equity investments, as well as transactions including mergers and acquisitions, to support effective financial oversight and strategic decision-making |
|  Risk management and internal controls                                                                 | 91.7%          | Ability and experience in implementing, managing or overseeing risk management and internal control systems to support effective governance, compliance and sustainable operation of the Group                                                                                                                                                             |
|  Legal and regulatory compliance                                                                       | 75%            | Ability and experience in managing legal, regulatory, and compliance frameworks to ensure adherence to laws, governance standards, and ethical practices across the Group's global operations                                                                                                                                                              |
|  People management experience                                                                          | 100%           | Experience at a senior level with responsibilities for people management and successful implementation of change                                                                                                                                                                                                                                           |
|  Qualifications — Formal qualifications in relevant fields to support the Board in its decision-making | 100%           | Relevant professional qualifications and expertise across financial, governance, technology and investment and transactional disciplines to support informed Board oversight and decision-making                                                                                                                                                           |

In terms of skills and experience to be considered for director appointments in the future, these may include financial qualifications, ESG and AI.

# Corporate governance report

## Nomination, appointment and election

### Nomination policy

The Nomination Policy guides the Nomination and Governance Committee and the Board on nomination of candidates for the Board. This policy sets out the selection criteria, tenure, election/re-election requirements and nomination procedure, details of which are set out below.

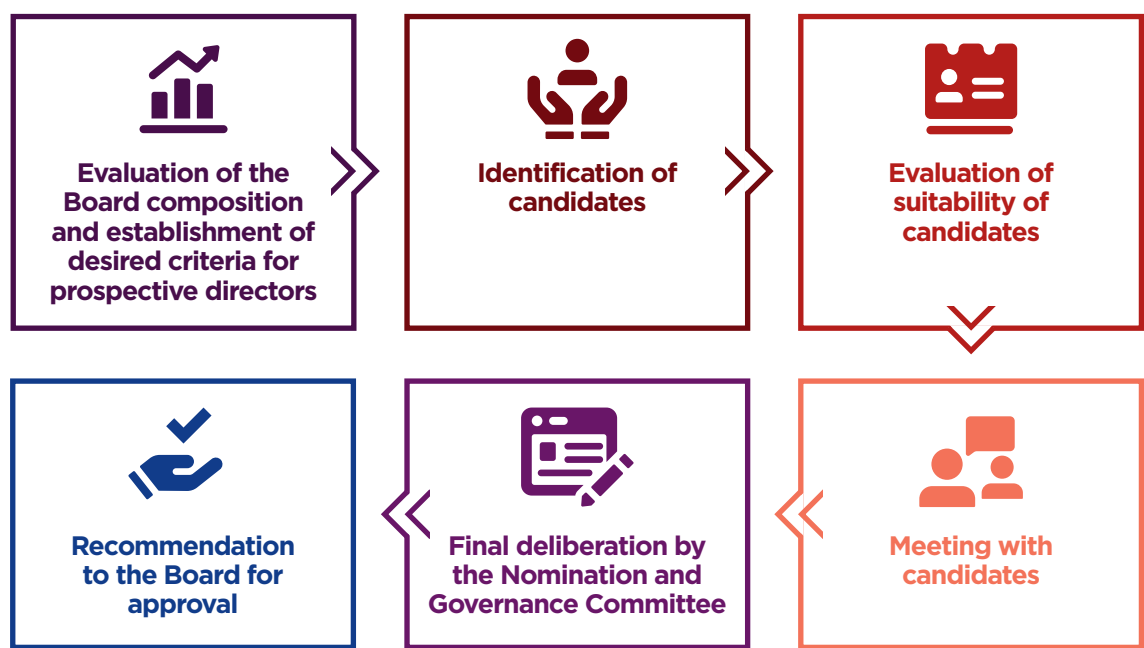
### Nomination and appointment process

The Board recognises the need to ensure the Board and senior management are always well resourced, with the suitable individuals possessing the requisite skills and experience to deliver the Group’s strategy.

There is a formal and transparent procedure for the appointment of new directors to the Board, the primary responsibility of which has been delegated to the Nomination and Governance Committee. The Nomination and Governance Committee is chaired by an independent non-executive director and composed of the Chairman (also the executive director), one non-executive director and two other independent non-executive directors. This composition supports objective and independent decision-making in the best interest of the Company.

The Nomination and Governance Committee’s assessment of the candidates includes, but not limited to, the independence under the Listing Rules, consideration of the relevant knowledge and diversity of backgrounds, gender, skills, experience and perspectives that would complement the existing Board.

The nomination process involves a structured evaluation and selection process, including the key stages set out below. The Nomination and Governance Committee makes recommendations to the Board, which retains ultimate responsibility for the appointment of directors.



## Independence

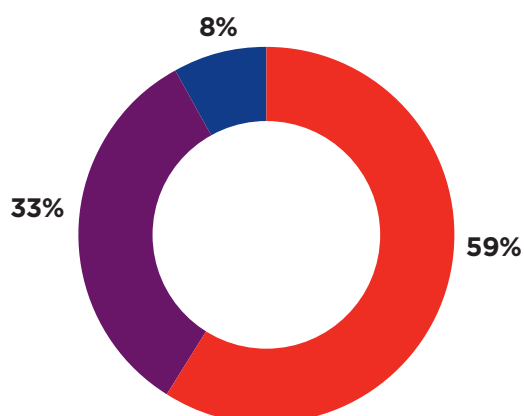
The independent non-executive directors do not participate in the day-to-day management of the Group and do not engage in any business dealing or other relationships with the Group (other than in situations permitted by the applicable regulations), in order to ensure that they can exercise independent judgement and act in the best interests of the Company and its shareholders.

Each independent non-executive director has provided a confirmation of independence to the Company. On May 20, 2026, the Nomination and Governance Committee conducted an annual review of the independence of all independent non-executive directors of the Company for FY2025/26. Having taken into account the factors as set out in rule 3.13 of the Listing Rules in assessing the independence of independent non-executive directors, the Nomination and Governance Committee (with the relevant committee member abstaining from voting on the resolutions concerning his/her own independence) concluded that all independent non-executive directors satisfied the criteria of independence as set out in the Listing Rules. Based on the Nomination and Governance Committee's review and the independence assessment process as set out on page 72, the Company confirmed that all the independent non-executive directors are independent.

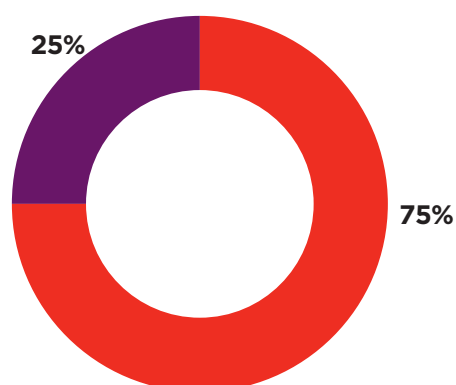
The Nomination and Governance Committee affirmed that all independent non-executive directors of the Company constitute a strong independent element on the Board, are free from any business or other relationship which could materially interfere with the exercise of their judgement, and remained independent for FY2025/26 and as of the date of this annual report. The diagram below shows the independence weighting of the Board and the Board Committees as of the date of this annual report.

### Independence weighting

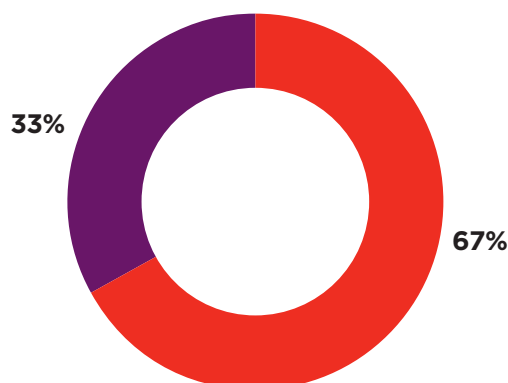
Board



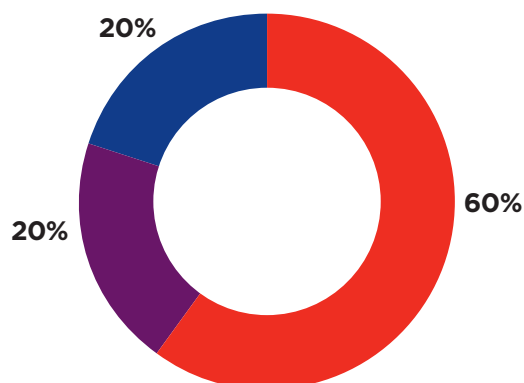
Audit Committee



Compensation Committee



Nomination and Governance Committee



Key

INED

NED

ED

# Corporate governance report

## Independence assessment



### Before and on appointment

- The Nomination and Governance Committee will evaluate the suitability of the candidates, including an assessment of their independence, skills and experience, and, where appropriate, nominate them for the Board's consideration and approval.
- A proposed new independent non-executive director is required to confirm with the Company his/her independence pursuant to rule 3.13 of the Listing Rules.



### Ongoing process

- Each independent non-executive director is required to inform the Company and the Stock Exchange, as soon as practicable, of any subsequent change of circumstances that may affect his/her independence.
- The independent non-executive directors are required to confirm to the Company, on a semi-annual basis, whether they have any financial, business, family or other material/relevant relationship with each other.
- All directors have a continuing obligation to update the Company on any changes to their other appointments, which will be reviewed by the Company.



### Annual assessment

- Each independent non-executive director is requested to confirm to the Company his/her independence with reference to the criteria under rule 3.13 of the Listing Rules.
- The Nomination and Governance Committee assesses and reviews the independence of independent non-executive directors on an annual basis.

## Mechanisms for ensuring independent views and input

The Company has established mechanism(s) to ensure that independent views and input are available to the Board. Having reviewed the implementation and effectiveness, and taking into account the following channels, it was considered that these mechanisms remain effective to ensure a strong independent element on the Board:

- The Board comprises a majority of independent non-executive directors, representing 58% of the Board as at the date of this report.
- A Lead Independent Director has been appointed with broad authorities and responsibilities. Among others, the Lead Independent Director convenes and chairs meetings with all non-executive directors without management and executive director present at least once a year. During FY2025/26, the Lead Independent Director and chairmen of the Board Committees met all other non-executive directors, without management, at executive sessions held after the respective board meetings and committee meetings, where applicable.
- All independent non-executive directors share their views and opinions through regular quarterly meetings where heads of core divisions and particular business units would be invited to attend such meetings and present business updates.
- Independent non-executive directors are authorised to seek independent professional advice at the Company's expense, where necessary, to perform their responsibilities.
- The Chairman has one-to-one meetings with each director, who may share their views directly with the Chairman.



**Conflicts of interest**

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company. The Board has established procedures and guidelines to address actual or potential conflicts of interests of directors, as follows:

- The Board considers each appointment on its individual merit and takes into account all relevant circumstances.
- Before taking on additional responsibilities or external appointments, directors are obliged to ensure that they can meet the expected time commitment for their role at the Company and that no potential conflicts arise from positions held with another companies.
- Transactions involving directors or their related parties are handled by other directors. For example, matters regarding remuneration of the executive director are handled by the Compensation Committee.
- Under the Articles of Association, directors are also required to declare any direct or indirect interests, in any proposal, transaction, arrangement or contract that is significant in relation to the Company's business and the director's interest or his/her associate's interest or the interest of the entity connected with the director is material.

All potential conflicts of interest will be recorded and reviewed annually by the Nomination and Governance Committee to ensure that the procedures operate effectively.

**Commitments**

The Board considers that all directors devote sufficient time and attention to the affairs of the Company. Directors

are provided with guidelines on time commitments, and appropriate confirmations are provided through their letters of appointment and annual disclosure letters. Directors have also disclosed to the Company the number and nature of offices held in Hong Kong and/or overseas listed public companies or organisations and other significant commitments, including their positions and an indication of time involved. They are required to notify the Company in a timely manner of any changes and provide semi-annual confirmation. The chart below sets out the number of directorships held by the directors in other listed public companies as at the date of this annual report.

The Nomination and Governance Committee reviewed and assessed each director's time commitment, contribution to the Board and the Committees, and ability to discharge his/her responsibilities and was satisfied that each director has devoted sufficient time and attention to the affairs of the Company, made appropriate contributions, and properly discharged his/her duties during FY2025/26.

For directors who stand for election or re-election at the 2026 Annual General Meeting, details of their directorships held in listed public companies in the past three years are disclosed in the circular accompanying the notice of the 2026 Annual General Meeting.

**Share ownership**

The Board has adopted stock ownership guidelines for non-employee directors. The Board believes that share ownership aligns directors' interests with the long-term interests of the shareholders and reinforces the Company's commitment to sound corporate governance. In general, these guidelines require non- employee directors to maintain a specified level of equity awards for so long as they serve as directors of the Company.

**Directorship with other listed public companies**



# Corporate governance report

## Directors’ securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix C3 to the Listing Rules. Based on the principles of the Model Code, the Company has established a comprehensive and operative company policy governing directors’ securities transactions. All directors of the Company have confirmed, following specific enquiry, that they complied with the required standards during FY2025/26.

The Company has also adopted a securities trading policy applicable to designated senior management of the Group, on terms no less stringent than the required standards as set out in the Model Code.

## Induction and continuous professional development

Directors are expected to keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure understanding of his/her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

The Company provides an induction program for new directors and regularly reviews and agrees with each director on his/her training needs. This ensures that they are kept informed of key business developments and enhances their effectiveness in discharging their responsibilities.



## Induction program for new directors

Upon joining the Company, directors are provided with a tailored induction program to enhance their understanding of the Group's business, operations and markets. Induction program is customized based on the director's experience and background. Normally, a comprehensive, formal and tailored induction program covers, amongst other things, the following:

Directors are also provided with an induction handbook designed to equip the Board members with key information on their roles and responsibilities, the annual agendas of the Board and Board Committees, as well as general information about each Board Committee of the Company, enabling them to discharge their duties effectively.

### Before appointment



#### Provision of training from external lawyer

To ensure the directors are fully aware of their responsibilities, obligations and duties under the Listing Rules and other applicable regulatory requirements



### On appointment



#### Provision of directors' induction handbook

To ensure that the director has a proper understanding of the operations, business and governance policies of the Group



### Following appointment



#### Meetings with Chairman, directors and senior executives from across the business

To ensure that the director has a proper understanding of the culture, strategies and the operations of the Group



#### Provision of briefings and presentations from senior executives and site visits to business operations

To ensure that the director has a proper understanding of the operations of the Group and its development



#### Continuous professional development program

To ensure directors remain up to date on key regulatory, governance and business developments

# Corporate governance report

## Continuous professional development program

Lenovo believes that effective leadership is supported by continuous learning. The Company provides directors and senior executives with a structured and comprehensive continuous professional development program annually to ensure that they maintain and enhance the skills and knowledge required to discharge their duties effectively.

The program is designed to deepen participants' understanding of the Group's business and industry developments, strengthen governance and oversight capabilities, and keep directors and senior executives informed of emerging trends and regulatory developments. The program includes, but is not limited to, the following:

- engaging presentations by senior executives and external experts on the latest trends in technology, geopolitics and, corporate strategy, and updates on ESG, corporate governance, risk management and internal controls, and key legal and regulatory developments;
- participation in global internal and external events in the industry to stay abreast of industry trends, regulatory developments, and emerging technologies;
- interactive site visits across Lenovo's global campuses and factories, giving directors first-hand insight into the Group's operations and supply chain; and
- focused discussions on critical emerging topics to support strategic thinking.

During the year, our directors and senior executives were invited to attend professional development activities as follows:

### Events

#### Global Leadership Team (GLT) Meeting

To enhance directors' understanding of Lenovo's culture and its alignment with the Group's values, vision and strategy, directors were invited to attend the Global Leadership Team (GLT) Meeting held on September 23-25, 2025 in Los Angeles, the United States.

Under the theme "Smarter AI for All", the meeting covered Lenovo's AI strategy and execution, technology and AI enablement, leadership and networking, and the cultural framework Entrepreneurship 5.0. Discussions addressed AI trends and practices, Personal and Enterprise AI, future AI R&D, and geopolitical topics.

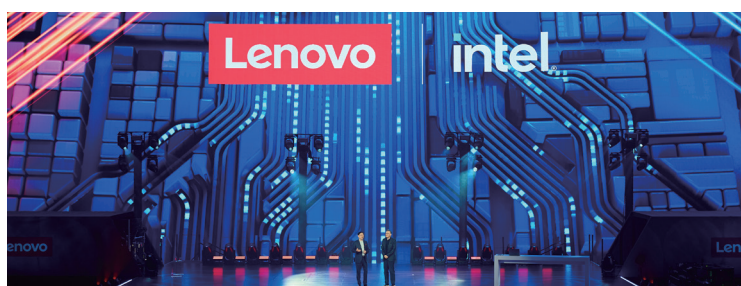
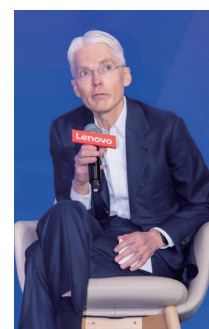
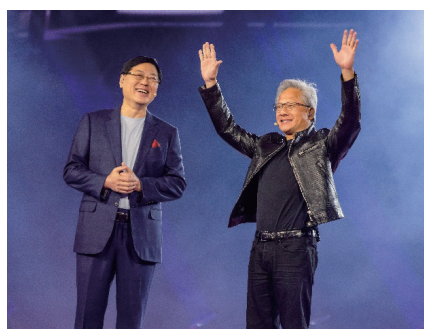




Beyond strategic discussions, directors participated in team-building activities and engaged closely with senior leaders across functions, strengthening cross-functional alignment. The GLT meeting provided a valuable platform for dialogue with senior management, reinforcing directors' understanding of the integration of culture, vision and strategy, and supporting their ongoing role in guiding the Group's long-term development.

#### *Lenovo TechWorld@CES*

The Group's largest-ever event, Lenovo TechWorld@CES (the "Consumer Electronics Show"), was launched on January 6, 2026 in Las Vegas and via global live stream under the theme "Smarter AI for All". It was subsequently extended through a series of roadshows across key global locations including the Kingdom of Saudi Arabia, India, Japan, Hong Kong S.A.R and LATAM countries. The chief executive officers and senior leaders of Lenovo's key business partners and industry peers, including AMD, FIFA, Intel, Microsoft, NVIDIA and Qualcomm, also joined Lenovo's senior leadership team on stage. The initiative showcased the execution of the One Lenovo Strategy across business groups, with a focus on Hybrid AI, Enterprise and Personal AI, core technologies and strategic partnerships.





# Corporate governance report

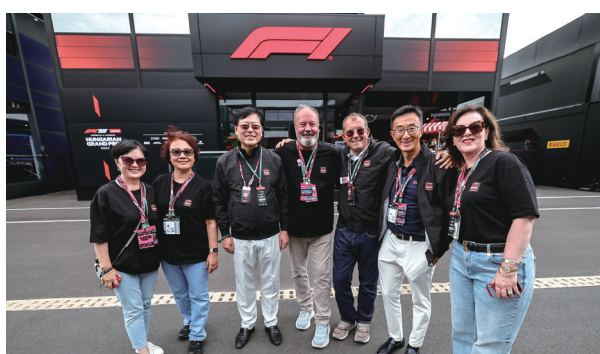
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Directors who participated in Lenovo TechWorld@CES gained exposure to Lenovo's technology roadmap, innovation capabilities and market positioning through keynote sessions, solution demonstrations and exchanges with industry partners and customers. Such participation formed part of the directors' continuous professional development, enhancing their understanding of the Group's strategy, technology leadership and industry trends, and supporting effective oversight of the Group's long-term development.

## *Formula 1®*

In 2025, Lenovo extended its technology partnership with Formula 1®, becoming a Global Partner of the organization. This strengthened Lenovo's business development strategy, and demonstrated its technological leadership through advanced solutions supporting F1 race operations on-site and remotely.

In August, directors attended Formula 1 Lenovo Hungarian Grand Prix 2025 and gained first-hand insights into the application of Lenovo's smarter technologies in a complex global environment, as well as the Group's strategic collaboration with a world-class partner. This enhanced their understanding of Lenovo's long-term strategy and technology-driven growth.





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### Site visits

In August 2025, directors participated in an immersive site visit to Lenovo's manufacturing facility in Budapest, Hungary. The visit provided directors with an overview of Lenovo's global supply chain and the complexities of its infrastructure solutions, alongside first-hand exposure to in-house manufacturing strategies and operational practices, enhancing their understanding of the Group's operations and execution capabilities.



In November 2025, directors were invited to visit the headquarters of Lenovo's key business partner, NVIDIA, in California, the United States. During the visit, directors toured Lenovo demonstration booths, experienced NVIDIA's AI platform demonstrations, and engaged in discussions with NVIDIA's management team. This enhanced directors' understanding of AI technologies, strategic partnerships and their relevance to Lenovo's business and long-term strategy.



# Corporate governance report

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## *Industry congress*

Lenovo operates in technology industry characterised by rapidly evolving market trends, changing consumer preferences, and continuous technological innovation. To ensure that directors remain well informed of the latest industry developments, emerging technologies and product advancements, the Company has implemented initiatives to provide timely exposure to relevant technological and market insights. Directors were invited to attend Consumer Electronic Show (CES), held together with Lenovo Tech World in Las Vegas in January 2026 and Mobile World Congress (MWC) in Barcelona in March 2026. These events provided the best product reviews, demonstrations and displays that showcase the technologies leveraging the power of AI both from the Group and other market players.

These events also facilitated the stakeholders' understanding, including that of directors and customers, of how Lenovo embraces the business opportunities in this dynamic market and satisfies the customer needs. Key topics covered Hybrid AI Defines Our Era, Personal AI, Enterprise AI and AI for Good.



Through participation in key strategic engagements, including leadership forums, global technology showcases, strategic partnerships, site visits and industry congresses, directors gained meaningful exposure to Lenovo's technology capabilities, smart manufacturing practices and innovation ecosystem. These hands-on experiences provided insights into industry trends, partner perspectives and operational excellence, enhancing directors' understanding of how innovation and disciplined execution support the Group's strategic objectives, long-term vision and sustainable growth.

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## *Expert briefings and seminars*

The Company arranges in-house expert briefings and seminars on a regular basis to keep directors informed of matters relating to the Group's business, strategy and operating environment. Directors are also encouraged to attend relevant external professional programs, at the Company's expense where appropriate, to remain abreast of developments in the broader business and regulatory landscape in which the Group operates.

During FY2025/26, directors participated in a range of internal and external training activities, including in-house and external expert briefings and seminars featuring in-depth discussions on topics such as AI, geopolitical developments and tariff impacts, corporate strategy updates and regulatory developments. Anti-bribery and corruption training was also provided during the year to update directors on relevant global regulatory requirements applicable to the Group.

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## *Regulatory updates*

Directors are kept informed, on a continuing basis, of regulatory developments by the Company Secretary, including the introduction of new regulations and guidelines and amendments issued by the Stock Exchange and other relevant regulatory authorities, together with their implications for the Company, the Group and directors' duties.

In addition, the directors' induction handbook, which sets out the Group's organisational structure, Board policies, corporate rules and policies, and other relevant legal and regulatory reference materials, is updated from time to time to reflect the latest developments.



## Training Coverage and CPD Summary for FY2025/26

Directors are required to undertake continuous professional development covering the five specified topics pursuant to rule 3.09G of the Listing Rules as set out below. The Company maintains records of directors' training for review by the Nomination and Governance Committee, supporting appropriate and transparent disclosure of directors' training activities.

The Nomination and Governance Committee will, on a continuing basis, evaluate and determine the training and development needs of the directors, particularly on the following five specified topics (the "Five Specified Topics"):

- (a) the roles, functions and responsibilities of the Board, the Board Committees and directors, and board effectiveness;
- (b) the Company's obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments, including Listing Rule updates, relevant to the discharge of such obligations and duties;
- (c) corporate governance and ESG matters, including developments in sustainability or climate-related risks and opportunities relevant to the Company and its business;
- (d) risk management and internal controls; and
- (e) updates on industry-specific developments, business trends and strategies relevant to the Company.

Directors have provided the Company with records of the training undertaken during FY2025/26 covering the Five Specified Topics, including internal training through Board and its committee meetings, external professional training where applicable, and self-study. The relevant details are set out below:

| Name of directors                | Mode of Continuous Professional Development (CPD)<br>training received in FY2025/26      |                                                                                          |                                                                                   | Approximate<br>number of CPD<br>hours completed<br>in FY2025/26 |
|----------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------|
|                                  | 1. Internal Training<br>– hours completed<br>and topics<br>covered <small>Note 1</small> | 2. External Training<br>– hours completed<br>and topics<br>covered <small>Note 2</small> | 3. Self-study<br>– hours completed<br>and topics<br>covered <small>Note 3</small> |                                                                 |
| Executive director               |                                                                                          |                                                                                          |                                                                                   |                                                                 |
| Mr. Yang Yuanqing                | 23.8<br>(c), (e)                                                                         | —                                                                                        | 9.3<br>(a) to (e)                                                                 | 33.1                                                            |
| Non-executive directors          |                                                                                          |                                                                                          |                                                                                   |                                                                 |
| Mr. Zhu Linan                    | 0.6<br>(e)                                                                               | —                                                                                        | 21<br>(a) to (e)                                                                  | 21.6                                                            |
| Mr. Zhao John Huan               | 13.3<br>(c), (e)                                                                         | —                                                                                        | 13<br>(a) to (e)                                                                  | 26.3                                                            |
| Mr. Wong Wai Ming                | 9<br>(c), (e)                                                                            | —                                                                                        | 30.9<br>(a) to (e)                                                                | 39.9                                                            |
| Ms. Laura Green Quatela          | 32.8<br>(c), (e)                                                                         | —                                                                                        | 5.5<br>(a) to (e)                                                                 | 38.3                                                            |
| Mr. Amit Midha <sup>Note 4</sup> | 9.4<br>(e)                                                                               | —                                                                                        | —                                                                                 | 9.4                                                             |

# Corporate governance report

| Name of directors                   | Mode of Continuous Professional Development (CPD)<br>training received in FY2025/26      |                                                                                          |                                                                                   | Approximate<br>number of CPD<br>hours completed<br>in FY2025/26 |
|-------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------|
|                                     | 1. Internal Training<br>– hours completed<br>and topics<br>covered <small>Note 1</small> | 2. External Training<br>– hours completed<br>and topics<br>covered <small>Note 2</small> | 3. Self-study<br>– hours completed<br>and topics<br>covered <small>Note 3</small> |                                                                 |
| Independent non-executive directors |                                                                                          |                                                                                          |                                                                                   |                                                                 |
| Mr. John Lawson Thornton            | 14.8<br>(c), (e)                                                                         | —                                                                                        | 6.7<br>(a) to (e)                                                                 | 21.5                                                            |
| Mr. Gordon Robert Halyburton Orr    | 33.8<br>(c), (e)                                                                         | 220<br>(a) to (e)                                                                        | 34.5<br>(a) to (e)                                                                | 288.3                                                           |
| Mr. Woo Chin Wan Raymond            | 13.3<br>(c), (e)                                                                         | 31.5<br>(b), (c), (d), (e)                                                               | 20<br>(a) to (e)                                                                  | 64.8                                                            |
| Ms. Yang Lan                        | 23.3<br>(c), (e)                                                                         | —                                                                                        | 11.2<br>(a) to (e)                                                                | 34.5                                                            |
| Ms. Cher Wang Hsiueh Hong           | 13.3<br>(c), (e)                                                                         | 6<br>(e)                                                                                 | 11<br>(a) to (e)                                                                  | 30.3                                                            |
| Professor Xue Lan                   | 14.8<br>(c), (e)                                                                         | 21<br>(a), (e)                                                                           | 18.5<br>(a) to (e)                                                                | 54.3                                                            |
| Mr. Kasper Bo Roersted              | 32.8<br>(c), (e)                                                                         | —                                                                                        | 12.4<br>(a) to (e)                                                                | 45.2                                                            |

Notes:

1. Internal training includes CPD or equivalent sessions organised by Lenovo, as well as training delivered through CEO Advisory Council meetings and Board meeting agenda items, briefings and discussions, and participation in relevant industry events.
2. “External training” includes CPD training, experts briefings, seminars or conferences as participants, speaker, or panelist, or equivalent sessions organised by professional organizations, regulators, governmental authorities, industry associations or other qualified or well-recognised bodies, attended by a Director in person or virtually.
3. “Self-study” includes reading published materials and attending pre-recorded or self-pacing on-line training.
4. Mr. Amit Midha was appointed on August 13, 2025. Prior to his appointment, on August 7, 2025, he confirmed that he had obtained the legal advice referred to under Rule 3.09D of the Listing Rules and also understood his obligations, duties and responsibilities as a director of a company listed on the Stock Exchange under the Listing Rules. He subsequently resigned on April 16, 2026.

## **Remuneration of directors and senior management**

A formal and transparent procedure for fixing the remuneration packages of directors and senior management is in place. Details of remuneration policies, remuneration payable to senior management and other relevant information are set out in the Compensation Committee report on pages 125 to 140 of this annual report.

## **Indemnification and insurance**

As permitted by the Articles of Association, a director or a former director of the Company may be indemnified out of the Company's assets against liabilities incurred to third parties in his/her capacity as a director of the Company, to the extent permitted by applicable laws and regulations.

The Company has maintained appropriate directors' and officers' liability insurance throughout the year, which provides cover for certain legal actions brought against its directors and officers.

## **Company secretary**

The Company Secretary, Ms. Lam Ngan Ling ("Ms. Lam") plays an important role in supporting the Board. She is responsible for facilitating the Board process, and communications among Board members, and between the Board, shareholders and management. During FY2025/26, Ms. Lam undertook appropriate professional training to update her skills and knowledge.

# Corporate governance report

## 3 Board Effectiveness

### Board's responsibilities and delegation to management

The Company is led by the Board, which is responsible for steering the Group's success by overseeing its overall strategy and directing and supervising its affairs in a responsible and effective manner. The Board also sets the Group's core values and adopts appropriate standards to ensure that the Group operates with integrity and complies with the relevant rules and regulations.

The Board retains overall responsibility for the Group's leadership, strategy and governance, including oversight of risk management and internal control systems. The Board also ensures that appropriate arrangements are in place for effective oversight of succession planning and remuneration through the relevant Board Committees.

The Company has established a clear framework for the division of responsibilities between the Board and management. A formal schedule of matters is reserved for the Board, while other matters are delegated to the management.

The Board retains responsibility for key matters, including overseeing the management of the Company and its business. Key matters reserved for the Board are summarized in the table below:

The Board has given clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company or commitments are entered into on behalf of the Group.

The Board delegates the day-to-day management, administration and operation of the Group to management under the leadership of the CEO, including:

- implementation of strategies and direction determined by the Board;
- operation of the Group's businesses;
- preparation of financial statements and operating budgets; and
- compliance with applicable laws and regulations.

These arrangements will be reviewed periodically to ensure that they remain appropriate to the Group's needs.

### Key matters reserved for the Board's approval

| Financial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Group strategy and management                                                                                                                                                                                                                                                                                                                                            | Board membership and committees                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <ul style="list-style-type: none"><li>• Approval of the Group's financial statements and results announcements</li><li>• Recommendation on appointment or re-appointment of external auditor</li><li>• Recommendation or declaration of dividend</li><li>• Monitoring the Group's businesses against plan and budget</li><li>• Oversight of the Group's risk management and internal control systems</li></ul> |  <ul style="list-style-type: none"><li>• Formulation of the Group's strategy and long-term objectives</li><li>• Approval of changes to capital structure</li><li>• Approval of major capital and equity transactions</li><li>• Approval of major disposals and acquisitions</li></ul> |  <ul style="list-style-type: none"><li>• Appointment to the Board and Board Committees</li><li>• Setting, review and amendments (where necessary) to the terms of reference of Board Committees</li><li>• Review of succession planning for directors and senior management</li></ul> |

| Corporate governance and ESG                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"><li>• Review of the performance of Board and Board Committees</li><li>• Review of ESG practices of the Group and approval of ESG report of the Company</li><li>• Review of and/or approval of certain policies of the Group, including:<ul style="list-style-type: none"><li>– Nomination Policy</li><li>– Code of Conduct</li><li>– Board Diversity Policy</li><li>– Dividend policy (the "Dividend Policy")</li><li>– Continuous disclosure policy (the "Continuous Disclosure Policy")</li></ul></li></ul> | <ul style="list-style-type: none"><li>– Shareholders communication policy (the "Shareholders Communication Policy")</li><li>– Lenovo Whistleblowing and Investigations Policy</li><li>– Lenovo Anti-Bribery and Corruption Policy</li><li>– Mechanisms to ensure independent views and input are available to the Board</li><li>• Oversight of remuneration policy for directors and senior management</li><li>• Approval of shareholder communications, circular and notice of meetings</li><li>• Approval of the Group's corporate governance framework and practices</li></ul> |

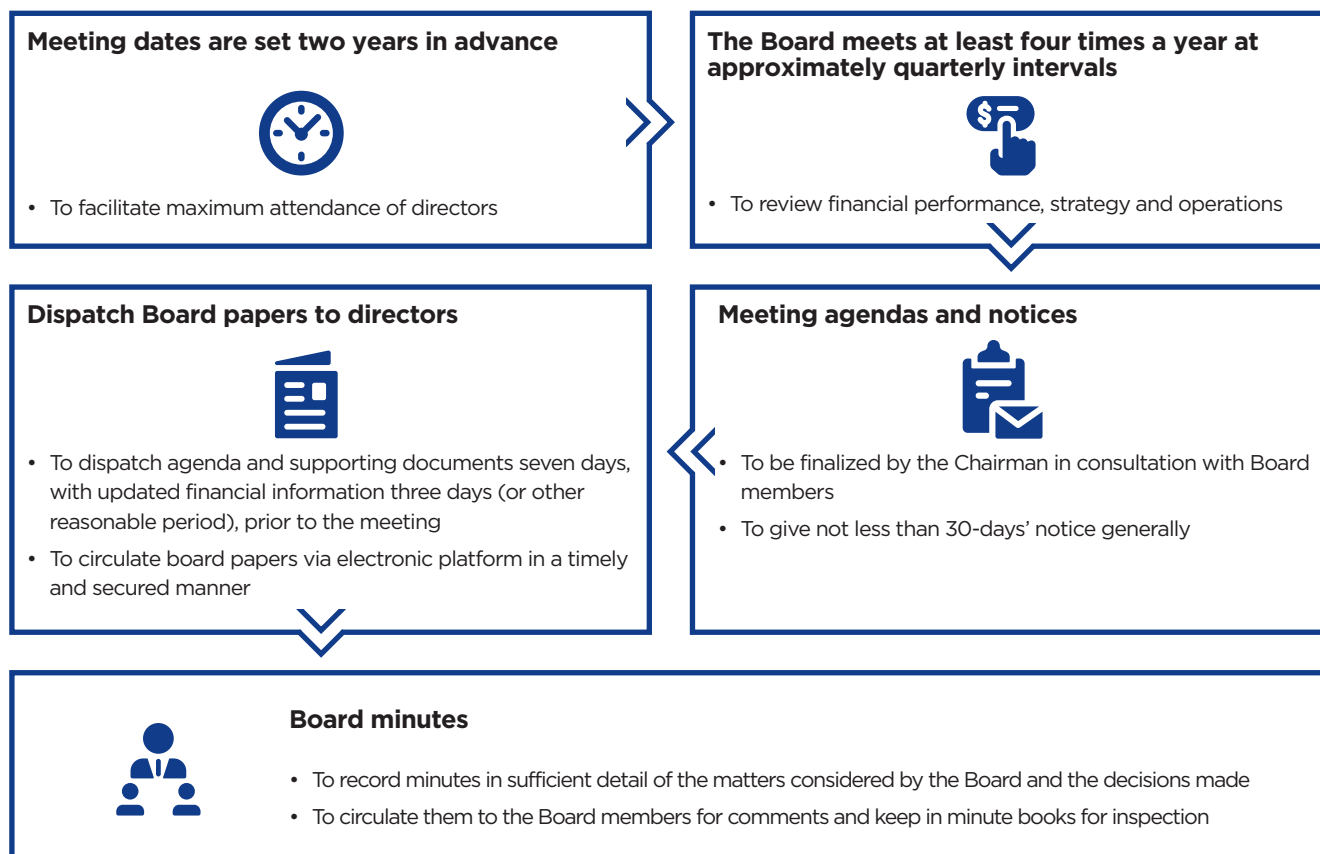


## Board process

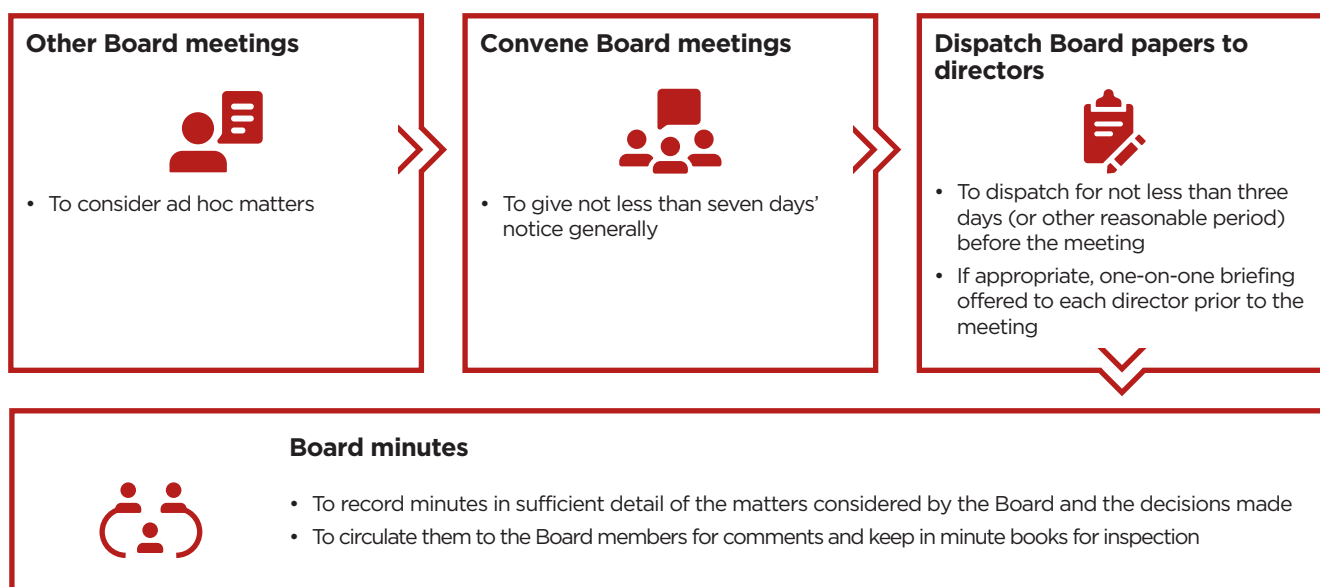
The Board recognises the importance of providing timely and appropriate information to directors, enabling them to make informed decisions and discharging their duties and responsibilities effectively.

### Board meetings

#### Regular Board meetings



#### Other Board meetings



# Corporate governance report

| Other key features of Board process                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Timely updates and discussion</b><br>          | <p>The directors are provided with all relevant meeting documentation and financial information in a timely manner to assist them in discharging their duties. Monthly updates on the Group's financial performance are provided to the Board between regular Board Meetings.</p>                                                                                                                                                                                                                                                                       |
|                                                                                                                                    | <p>In addition to standing agenda items, "deep-dive" topics are included and discussed, where applicable. During FY2025/26, "deep-dive" presentations included, among others, the Group's specific strategy updates, special projects and changes in Board compositions.</p> <p>In addition to regular quarterly Board (earnings) meetings, board meetings focusing on the Group's strategy would also be held before or after the regular Board (earnings) meetings whenever necessary.</p>                                                            |
|                                                                                                                                    | <p>Senior management are invited to attend Board meetings, where appropriate, to report on matters relating to their areas of responsibility; to brief the directors on recommendations submitted for the Board's consideration; and to furnish additional information or explanation, particularly for complex and technical matters tabled to the Board.</p>                                                                                                                                                                                          |
| <b>Executive sessions</b><br>                    | <p>As a good corporate governance practice, separate executive sessions were arranged for: (i) the Chairman to meet with independent non-executive directors in the absence of management; and (ii) the Lead Independent Director to meet with other non-executive directors in the absence of the executive director and management, to discuss any issue or matters they would like to raise.</p>                                                                                                                                                     |
| <b>Professional advice</b><br>                  | <p>All directors have direct access to the Chief Legal and Corporate Responsibility Officer and the Company Secretary of the Company, who are responsible for advising the Board on corporate governance, ESG, legal and compliance matters.</p>                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                    | <p>Written procedures are in place for directors to seek, at the Company's expense, independent professional advice in performing directors' duties.</p>                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Access to information</b><br>                | <p>All directors are provided with a tablet and/or a notebook to gain access meeting materials of the Board and Board Committee meetings through an electronic platform.</p>                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Communication with senior management</b><br> | <p>To enhance communication between directors and senior management and understand management planning and strategy of the Group, directors and senior management are invited to attend Lenovo's GLT Meeting and various continuous development activities with active discussion and close collaboration among participants. Senior management are also invited to attend Board meetings to report on relevant corporate and strategic matters of the Group to the Board and provide additional information on reporting items whenever necessary.</p> |

## Board agendas

Board agendas are structured to assist the Board in achieving its objectives and support and advise senior management on the delivery of the Group's strategy within a transparent governance framework.

The diagram below shows the key focus areas for the Board, which are included on the Board's agenda at relevant times throughout FY2025/26. Focused discussion of these items assists the Board in making appropriate decisions based on the Group's long-term opportunities.

### Financial and operational performance



- CEO and CFO Reports
- Financial and operational updates
- Annual budget
- Treasury items

### Strategy and risks



- Discussion of key strategic issues relating to business groups, geographical and structural matters
- Review of processes and controls for strategic and operational risks
- Government relations and trade updates

### Corporate governance and ESG



- Review and discussion of the corporate policies, governance practices and sustainability matters
- Board and Board Committees' effectiveness review
- Board diversity and succession planning
- Board and Board Committee composition
- Board Committees' reports
- Board evaluation proposal, report and follow-up actions
- ESG updates and review of ESG report
- Trade compliance and regulatory updates
- Anti-bribery and corruption training

### Others



- Corporate matters, including changes in organization structure
- Organization human resources planning
- Renewal of continuing and connected transactions
- Ad hoc projects

# Corporate governance report

## Main agendas during FY2025/26

During FY2025/26, six Board meetings were held, comprising four regular Board meetings primarily to review quarterly business performance and strategy execution, and two Board meetings focused on reviewing corporate and business strategies, and other key topics

significantly influencing the Group’s development. As a global technology company, we held Board meetings in hybrid format, with four meetings held in-person in Hong Kong S.A.R. of China and San Francisco, the United States. The below chart provides an overview of the allocation of Board agenda time during the year.

## Allocation of agenda time



Directors are expected to attend all meetings of the Board and the Board Committees on which they serve, and to devote sufficient time to the Company to perform their duties. Where directors are unable to attend a meeting, they receive the meeting papers and are given the opportunity to raise any issues with the chairmen of the meetings prior to the meetings.

At each regular Board meeting, the Board receives updates from the CEO and the CFO on the financial and operational performance of the Group and any specific developments in their areas of the businesses for which they are directly responsible and of which the Board should be aware. The chairmen of the respective Board Committees would also report on matters discussed and/or approved at the relevant Board Committee meetings held prior to the Board meetings. Meetings are structured so as to allow sufficient consideration and discussion of all matters.



The main matters and areas that the Board reviewed and considered at its meetings during FY2025/26 were as follows:

|                                                                                                                                                                     | 2025<br>May | 2025<br>August | 2025<br>November | 2026<br>February |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|----------------|------------------|------------------|
| <b>Financial and operational performance</b>                                                                                                                        |             |                |                  |                  |
| • CEO and CFO Report                                                                                                                                                | ●           | ●              | ●                | ●                |
| • Results announcement                                                                                                                                              | ●           | ●              | ●                | ●                |
| • Annual/interim report                                                                                                                                             | ●           |                | ●                |                  |
| • Final/interim dividend                                                                                                                                            | ●           |                | ●                |                  |
| • Annual general meeting items, among others, general mandate to buy back shares and to issue shares, re-election of directors and notice of annual general meeting | ●           |                |                  |                  |
| • Re-appointment of external auditor                                                                                                                                | ●           |                |                  |                  |
| • Financing update                                                                                                                                                  |             | ●              |                  | ●                |
| • FY2026/27 budget plan                                                                                                                                             |             |                |                  | ●                |
| <b>Strategic and risks</b>                                                                                                                                          |             |                |                  |                  |
| • Corporate strategy                                                                                                                                                | ●           |                | ●                |                  |
| • Geopolitical policy and tariff impact updates                                                                                                                     |             | ●              |                  |                  |
| <b>Governance and ESG</b>                                                                                                                                           |             |                |                  |                  |
| • Anti-bribery and corruption training                                                                                                                              | ●           |                |                  |                  |
| • Board composition, diversity and Board evaluation report                                                                                                          |             | ●              | ●                | ●                |
| • ESG Update                                                                                                                                                        | ●           |                |                  | ●                |
| • ESG Report                                                                                                                                                        | ●           |                |                  |                  |
| • GLT Meeting, Tech World Debrief and FIFA World Cup Program Overview                                                                                               |             |                |                  | ●                |
| • Report from Audit Committee                                                                                                                                       | ●           | ●              | ●                | ●                |
| • Report from Nomination and Governance Committee                                                                                                                   | ●           |                | ●                |                  |
| • Report from Compensation Committee                                                                                                                                | ●           |                | ●                | ●                |
| <b>Others</b>                                                                                                                                                       |             |                |                  |                  |
| • Organization human resources planning                                                                                                                             | ●           |                |                  |                  |
| • Amendment to Articles of Association and Change of Hong Kong S.A.R. Share Registrar and Transfer Office                                                           | ●           |                |                  |                  |
| • Renewal of continuing connected transactions                                                                                                                      |             |                |                  | ●                |
| • Ad hoc project                                                                                                                                                    |             |                | ●                |                  |
| <b>Executive session</b>                                                                                                                                            | ●           | ●              | ●                | ●                |

## Corporate governance report

## Board committees

As at the date of this annual report, the Company has maintained the Board Committees with key responsibilities set out below extracted from the respective terms of

reference, which are posted on the Group's website and Hong Kong Exchanges and Clearing Limited's website (the "HKEx's website"). The terms of reference of the Board Committees align with the prevailing requirements of the CG Code.

## Board of Directors



### Key responsibilities

- Set strategy, vision, mission and values, supported by the corporate culture
- Provide leadership and overall direction for management, and oversee the implementation of strategic objectives
- Assume collective responsibility and accountability to shareholders for the Group's long term success
- Review the performance of management, the Group's operating, financial and ESG performance
- Ensure the Group's compliance with applicable legal and regulatory requirements and maintain high standards of corporate governance

## Audit Committee



### Key responsibilities

- Assist the Board in carrying out its oversight responsibilities in relation to financial and ESG reporting, risk management and internal control, and maintaining an appropriate relationship with external auditors

## Compensation Committee



### Key responsibilities

- Assist the Board in assessing and making recommendation on compensation policy
- Assess the performance of the Chairman of the Board and/or CEO
- Determine the compensation level and package for the Chairman of the Board and/or CEO, other directors and senior management

## Nomination and Governance Committee



### Key responsibilities

- Assist the Board in overseeing Board and Board Committees composition, succession planning, developing and reviewing the corporate governance principles and policies
- Review and assess of the combined roles of Chairman and CEO, directors' time commitment and contribution, and the independence of independent non-executive directors

The Board may also establish ad hoc committees to approve specific projects as needed. When required, the Board will form an independent board committee comprising the independent non-executive directors to review and approve transactions that normally require Board approval.

All Board Committees follow the same principles and procedures as those of the Board and are provided with sufficient resources to perform their duties. The Board Committees will report to the Board on a regular basis, including their decisions and recommendations. The member list of the Board Committees is also posted on the Group's website and HKEx's website.

## Audit Committee

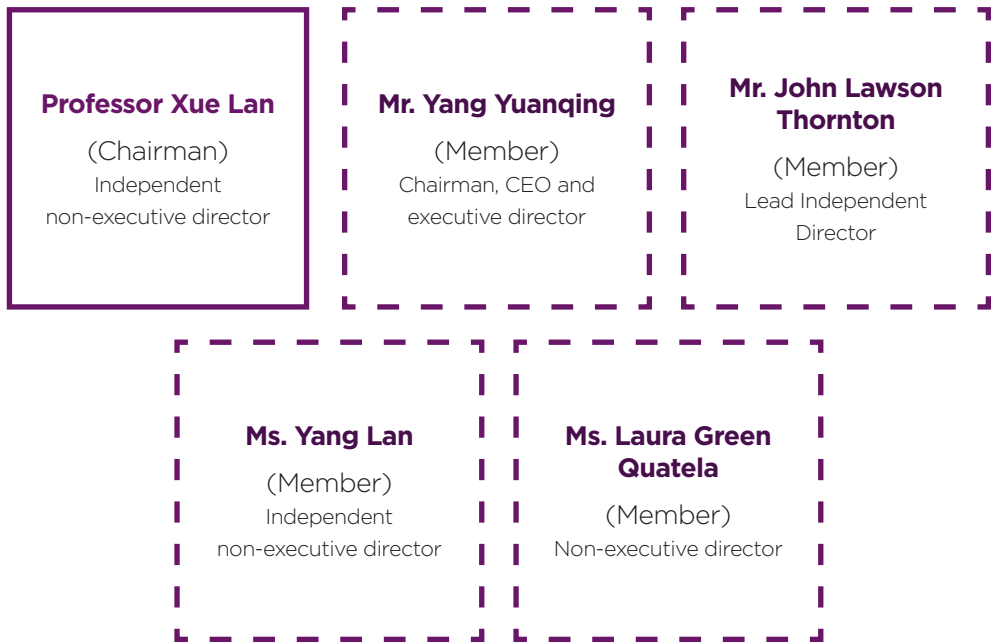
The Audit Committee is delegated by the Board to perform its duties within its terms of reference. Details of the Audit committee, including its membership, responsibilities and work done during FY2025/26, are summarized in the Audit Committee report on pages 118 to 124 of this annual report.

## Compensation Committee

The Compensation Committee is delegated by the Board to perform its duties within its terms of reference. Details of the Compensation Committee, including its membership, responsibilities and work done during FY2025/26, are summarized in the Compensation Committee report on pages 125 to 140 of this annual report.

## Nomination and Governance Committee

The Nomination and Governance Committee (referred to as the “Committee” in this section) consists of the following members as at the date of this annual report:



More information on the skills and experience of the members of the Committee is available in the directors’ biographies set out on pages 147 to 150 of this annual report.

In addition to the Committee members, the regular attendees at the Committee’s meetings include:



# Corporate governance report

## Responsibilities

The Committee is delegated by the Board with responsibilities to perform its duties within its terms of reference, among others, the following:

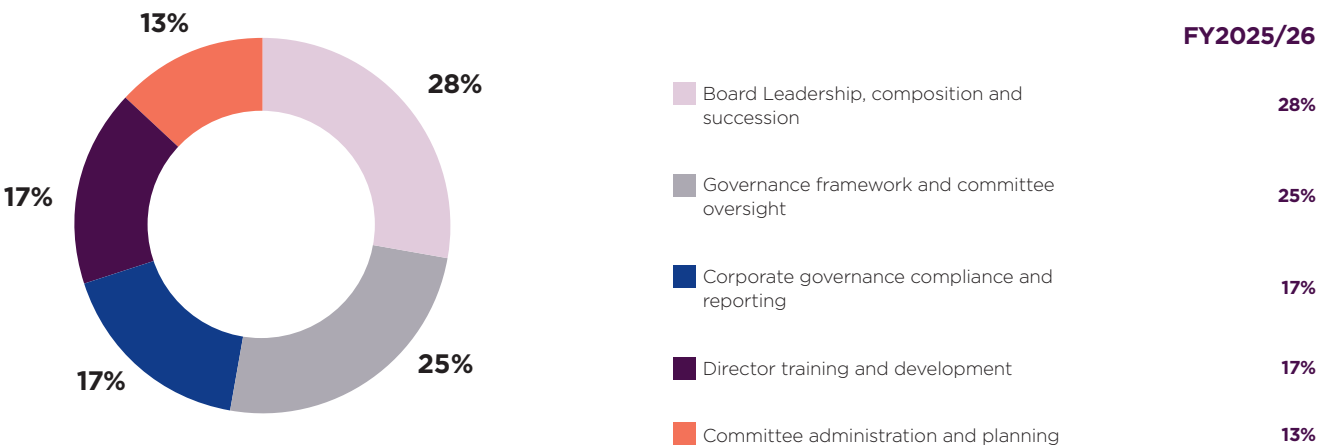
- Reviewing the composition of the Board and Board Committees to ensure they are properly constituted and balanced in terms of skills, experience and diversity;
- Making recommendations to the Board on succession planning for directors and CEO;
- Reviewing and assessing the independence of Independent non-executive directors pursuant to the requirements under the Listing Rules;
- Monitoring corporate governance matters and developments to ensure that the Company is in line with the international best practices;
- Reviewing the Company's policies and practices on corporate governance, and its compliance with legal and regulatory requirements;
- Reviewing and determining the director induction and continuous professional development programs of directors and senior management;
- Reviewing and supporting the Board on the Board and Board Committees' evaluation and monitoring the progress of the implementation actions; and
- Reviewing and assessing regularly the time commitment and contribution to the Board by each director as well as the director's ability to discharge his/her responsibilities.

## Key features

- The Committee operates under written terms of reference which clearly set out its membership, authority and duties, and are available on the Group's website and HKEx's website.
- The Committee is provided with sufficient resources to perform its duties.
- The Committee is authorised to obtain external legal or other independent professional advice on performing its duties at the Company's expense.
- The Chief Legal and Corporate Responsibility Officer and the Company Secretary are invited to attend the Committee meetings in order to provide insight and enhance the Committee's awareness of corporate governance issues and developments.
- Appropriate arrangements are in place to manage conflicts of interest, including recusal of members from deliberations where required.

## Main agendas during FY2025/26

In FY2025/26, the Committee held one meeting and passed two written resolutions. The Committee meeting and the written resolutions covered all corporate governance matters within the scope of the Committee's responsibilities, as categorised in the chart below. The attendance records of the Committee members are disclosed on page 95 of this annual report, and the chart provides an overview of the Committee's agenda time allocation during the year.





The main matters and areas that the Committee reviewed and considered during FY2025/26 were as follows:

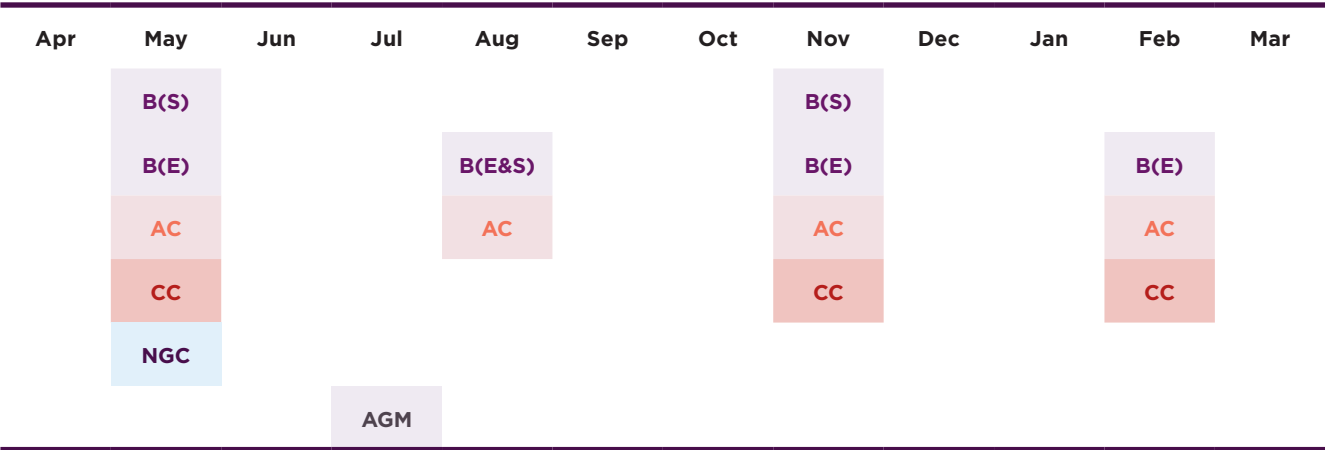
| Matters / Areas                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2025 |        |          |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|----------|
|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | May  | August | November |
| <b>Board and Board Committees' compositions</b>             | <ul style="list-style-type: none"> <li>Reviewed, discussed and recommended the Board on the composition of the Board and Board Committees, among others, female representation of the Board and appointment of a director</li> <li>Discussed the requirements of candidates and identified potential candidates as new board members from the perspectives of gender, skills, knowledge, qualifications and experience.</li> <li>Reviewed and discussed progress against Board diversity targets.</li> <li>Reviewed progress on the numerical target and timeline set for achieving gender diversity on the Board.</li> </ul>                                                                                                                                          | ●    | ●      | ●        |
| <b>Review of the combined roles of the Chairman and CEO</b> | <ul style="list-style-type: none"> <li>Reviewed the arrangement of same person acting as Chairman and CEO for FY2025/26.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ●    |        |          |
| <b>Corporate governance</b>                                 | <ul style="list-style-type: none"> <li>Reviewed compliance with the CG Code and the related corporate governance disclosures in 2024/25 annual report and 2025/26 interim report.</li> <li>Reviewed and assessed the independence of independent non-executive directors and affirmed the Committee's view on their independence.</li> <li>Reviewed and discussed continuous professional development programs for directors and senior executives.</li> <li>Reviewed the policies and practices on corporate governance, including but not limited to Lenovo Code of Conduct, Board Diversity Policy, Dividend Policy, Nomination Policy and Shareholders Communication Policy, and on the compliance with legal and regulatory requirements of the Group.</li> </ul> | ●    |        | ●        |
| <b>Board and Board Committees' evaluation</b>               | <ul style="list-style-type: none"> <li>Reviewed enhancements to the Board performance evaluation under the Listing Rules and approved the evaluation arrangements and questionnaire.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |        | ●        |

# Corporate governance report

## Meetings and attendance

### Board meetings, Board Committee meetings and general meeting

The following diagram illustrates the number of the Board, Board Committee meetings and general meeting held during FY2025/26.



| Key    |                                                |
|--------|------------------------------------------------|
| B(S)   | Board meeting (Strategy session)               |
| B(E)   | Board meeting (Earnings session)               |
| B(E&S) | Board meeting (Earnings and Strategy sessions) |
| AC     | Audit Committee meeting                        |
| CC     | Compensation Committee meeting                 |
| NGC    | Nomination and Governance Committee meeting    |
| AGM    | Annual General Meeting                         |

## Directors' attendance

During FY2025/26, the overall attendance rate of directors at Board and Board Committee meetings was about 91.5% (2024/25: 92.3%). Details of each director's attendance at Board meetings, Board Committee meetings and general meeting (attended/held) during FY2025/26 are set out in below table:

| Name of directors                                       | Meetings attended/held |                                     |                                       |                                                          |                                               |
|---------------------------------------------------------|------------------------|-------------------------------------|---------------------------------------|----------------------------------------------------------|-----------------------------------------------|
|                                                         | Board<br>(Notes 1 & 2) | Audit<br>Committee<br>(Notes 1 & 3) | Compensation<br>Committee<br>(Note 1) | Nomination<br>and<br>Governance<br>Committee<br>(Note 1) | Annual<br>General<br>Meeting<br>(Notes 3 & 4) |
| <b>Executive director</b>                               |                        |                                     |                                       |                                                          |                                               |
| Mr. Yang Yuanqing (Chairman and CEO)                    | 6/6                    | -                                   | -                                     | 1/1                                                      | 1/1                                           |
| <b>Non-executive directors</b>                          |                        |                                     |                                       |                                                          |                                               |
| Mr. Zhu Linan (Note 5)                                  | 1/6                    | -                                   | -                                     | -                                                        | 0/1                                           |
| Mr. Zhao John Huan (Note 6)                             | 5/6                    | -                                   | 2/3                                   | -                                                        | 1/1                                           |
| Mr. Wong Wai Ming                                       | 6/6                    | 4/4                                 | -                                     | -                                                        | 1/1                                           |
| Ms. Laura Green Quatela                                 | 6/6                    | -                                   | -                                     | 1/1                                                      | 1/1                                           |
| Mr. Amit Midha (Note 7)                                 | 4/4                    | -                                   | -                                     | -                                                        | -                                             |
| <b>Independent non-executive directors</b>              |                        |                                     |                                       |                                                          |                                               |
| Mr. John Lawson Thornton<br>(Lead Independent Director) | 6/6                    | -                                   | -                                     | 1/1                                                      | 1/1                                           |
| Mr. Gordon Robert Halyburton Orr                        | 6/6                    | 4/4                                 | 3/3                                   | -                                                        | 1/1                                           |
| Mr. Woo Chin Wan Raymond                                | 6/6                    | 4/4                                 | -                                     | -                                                        | 1/1                                           |
| Ms. Yang Lan (Note 8)                                   | 5/6                    | -                                   | -                                     | 1/1                                                      | 1/1                                           |
| Ms. Cher Wang Hsiueh Hong (Note 8)                      | 5/6                    | -                                   | -                                     | -                                                        | 1/1                                           |
| Professor Xue Lan                                       | 6/6                    | -                                   | -                                     | 1/1                                                      | 1/1                                           |
| Mr. Kasper Bo Roersted                                  | 6/6                    | 4/4                                 | 3/3                                   | -                                                        | 1/1                                           |

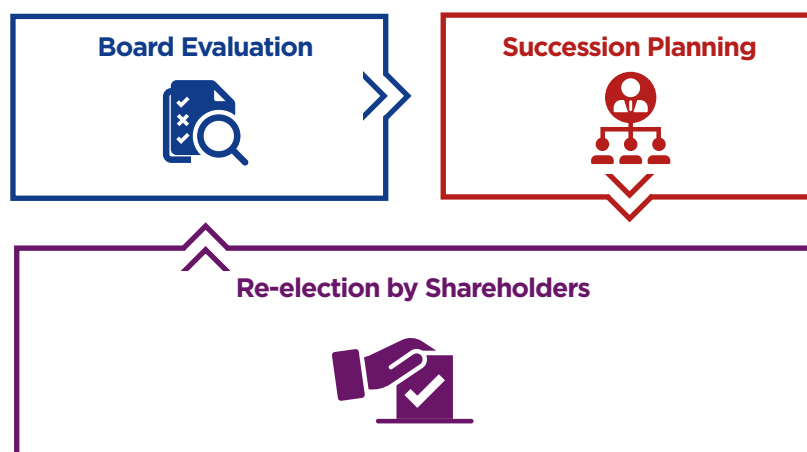
Notes:

- Attendance represents actual attendance relative to the number of meetings a director was entitled to attend.
- The Board held four regular earnings meetings and two strategy meetings during the year.
- Representatives of the external auditor participated in every Audit Committee meeting and the annual general meeting held during the year.
- The Company held the annual general meeting on July 17, 2025 ("2025 Annual General Meeting").
- Due to illness during the year, Mr. Zhu Linan was unable to attend certain Board meetings.
- Due to travel schedule constraints, Mr. Zhao John Huan was unable to attend the Compensation Committee meeting and the Board meeting (strategy session) held on November 18, 2025.
- Mr. Amit Midha was appointed on August 13, 2025 and resigned on April 16, 2026.
- Due to prior scheduling commitments and time zone differences, Ms. Yang Lan and Ms. Cher Wang Hsiueh Hong were unable to attend the Board meeting (strategy session on November 18, 2025).

# Corporate governance report

## Board and Board Committees' effectiveness review

The Board recognises the importance of continually assessing its performance in supporting the leadership of the Group. The Board has a formal process, supported by the Nomination and Governance Committee and led by the Lead Independent Director, to evaluate the performance of the Board and Board Committees, and ensure that they continue to operate effectively and efficiently and to fulfill their respective duties. The process involves periodic evaluation of the Board and Board Committees, consideration of succession planning, and re-election of directors by shareholders.



### Board Evaluation

A formal Board evaluation process is in place and is conducted on a biennial basis to support continuous improvement and to ensure that the Board and its committees continue to operate effectively and discharge their respective responsibilities.

In FY2025/26, the Board conducted a formal evaluation, which provided a structured opportunity to assess its overall effectiveness, identify areas of strength and improvement, and enhance its collective contribution going forward.

#### *Oversight and Responsibilities*

The Board evaluation process is led by the Lead Independent Director, with support of the Chief Legal and Corporate Responsibility Officer and the Company Secretary. The Nomination and Governance Committee oversees the process and reviews the evaluation outcomes as part of its responsibilities for Board effectiveness and corporate governance.

#### *Methodology and scope*

In FY2025/26, the evaluation was conducted internally and was primarily questionnaire based. A structured and confidential electronic questionnaire was circulated to all directors to assess the performance and effectiveness of the Board and its committees. All anonymous responses were handled on a confidential basis.

The evaluation focused on the following areas:

- Board role and responsibilities
- Board culture
- Board and committee composition and skills
- Board conduct, practices, processes and effectiveness
- Board contributions
- Strategic and operational oversight
- Continuous professional development
- Risk management and internal control
- Relationship with senior management
- Shareholders and stakeholders engagement



## Process

The evaluation process comprises three stages:

### Stage 1 — Preparation and Design

#### Determine the scope and methodology

- Determine the Board and Board Committees as the scope of evaluation
- Conduct the evaluation internally through an electronic questionnaire on a biennial basis

#### Design a questionnaire

- Design and finalise the questionnaire in consultation with the Lead Independent Director and the Nomination and Governance Committee

### Stage 2 — Evaluation and Review

#### Evaluate Directors' Feedback

- Circulate questionnaire to the directors for completion and collect response on an anonymous basis
- Consolidate and analyse results (the "Results") by the Company Secretary

#### Review and Reporting of Board Evaluation Results

- The Lead Independent Director, the Chairmen of Board Committees and Nomination and Governance Committee review the Results
- Finalise and report the Results by The Nomination and Governance Committee finalises and reports the Results to the Board for review and discussion on a non-attributable basis, to facilitate open, frank and constructive feedback

### Stage 3 — Follow-up and Improvement

#### Agree Follow-up Actions

- Directors review and discuss the Results at a Board meeting, and agree on appropriate follow-up actions and implementation plan

#### Monitor and Report Progress

- Monitor the progress of the implementation or action taken semi-annually
- The Nomination and Governance Committee reports progress to the Board

## FY2025/26 key outcomes and follow-up focus areas

Through the FY2025/26 Board evaluation process, which covered all directors and included input from key stakeholders, including shareholders, senior executives and auditors, the Board confirmed strong overall effectiveness and concluded that the current internal evaluation process remains effective at this stage. The evaluation also identified certain areas for further governance enhancement, including succession planning, capability development and Board-management interaction and Board meeting conduct. Corresponding measures have been proposed and considered by the Nomination and Governance Committee for recommendation to the Board as part of the Board's ongoing efforts to enhance effectiveness.

### Succession planning

The Board is ultimately responsible for succession planning for directorships and key management roles. With support of the Nomination and Governance Committee, the structure, size, composition and succession planning are regularly reviewed to ensure that the successors for key roles are identified and their performance is assessed. The Board considers and approves the appointment of Board and Board Committee members based on the recommendations from the Nomination and Governance Committee. The Board is satisfied that an appropriate plan has been in place for orderly succession to the Board supporting its continued effectiveness and the successful discharge of its responsibilities.

### Re-election by shareholders

Pursuant to the Articles of Association, one-third of the directors at the office shall retire from office at each annual general meeting and are eligible for re-election. Any new appointments either to fill a casual vacancy or as an addition to the Board are also subject to re-election by shareholders at the next following annual general meeting of the Company. The Nomination and Governance Committee has reviewed each director proposed for re-election, taking into account his/her performance, contribution to the Board and its committees, and continued independence, where applicable, with reference to the outcomes of the Board evaluation process. Sufficient biographical and other information on those directors seeking re-election are provided in the annual report and the circular to enable shareholders to make an informed decision.

# Corporate governance report

## 4 Accountability and audit

### Financial reporting

The Board acknowledges its responsibility for presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects. The Board is also responsible for the preparation of financial statements for each financial year which gives a true and fair view of

the state of affairs on a going concern basis. The external auditor's responsibilities to shareholders are set out in the Independent Auditor's Report on pages 168 to 172 of this annual report.

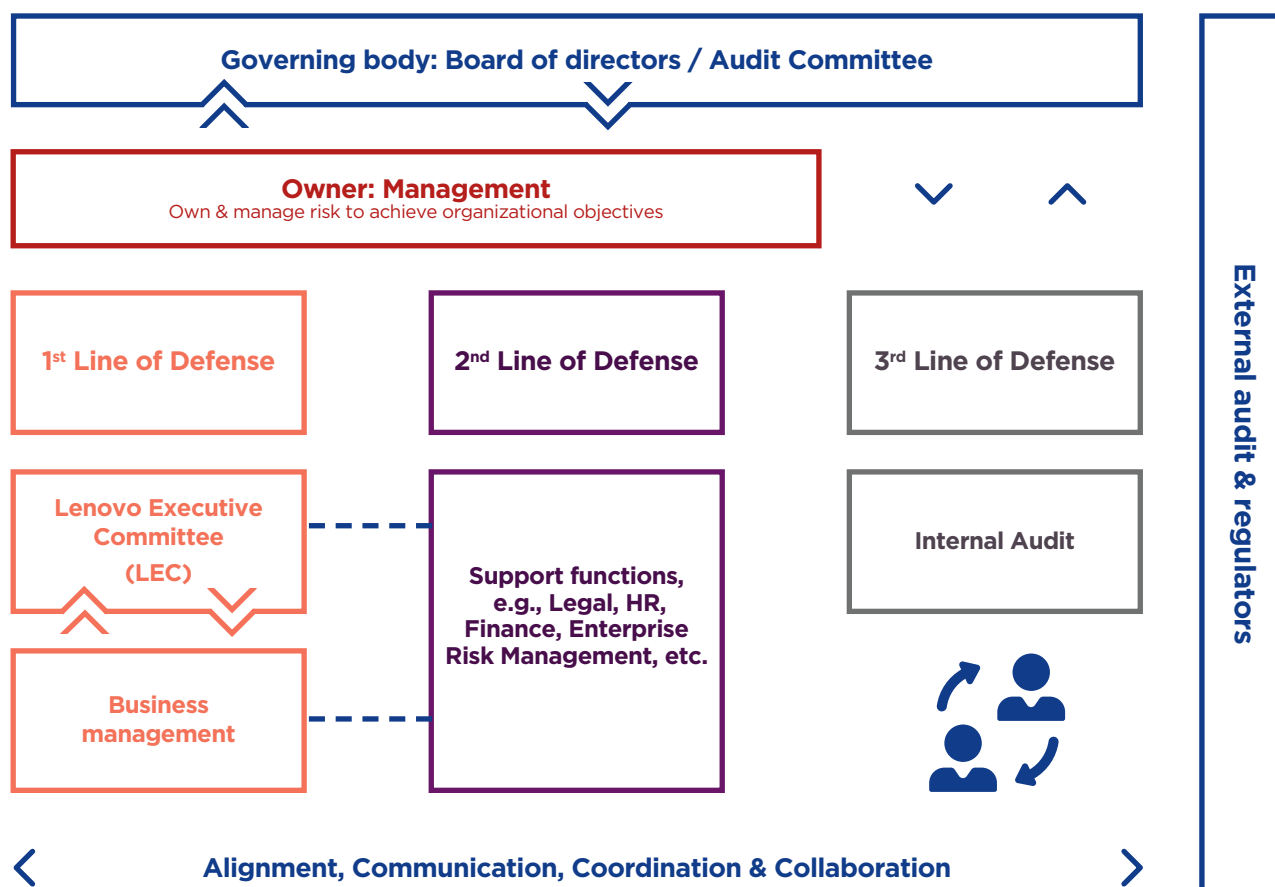
The practices of the Company for publication of financial results and the related reports are set out below.

|                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div>Annual results</div> <div></div> <div><ul style="list-style-type: none"><li>Announce within two months</li><li>Publish the annual report about one month following the annual results announcement</li></ul></div> | <div>Interim results</div> <div></div> <div><ul style="list-style-type: none"><li>Announce within about 8 weeks</li><li>Publish the interim report about 15 days following the interim results announcement</li></ul></div> | <div>Quarterly results</div> <div></div> <div><ul style="list-style-type: none"><li>Announce within about seven weeks following quarter end, depending on timing of festive holidays</li></ul></div> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Risk management and internal control

At Lenovo, risk is defined as a potential action, event or circumstance that could positively or negatively affect the Group's ability to meet its business strategies and objectives. As an inherent part of doing business, risk must be properly understood and managed to ensure the Group's continued business success.

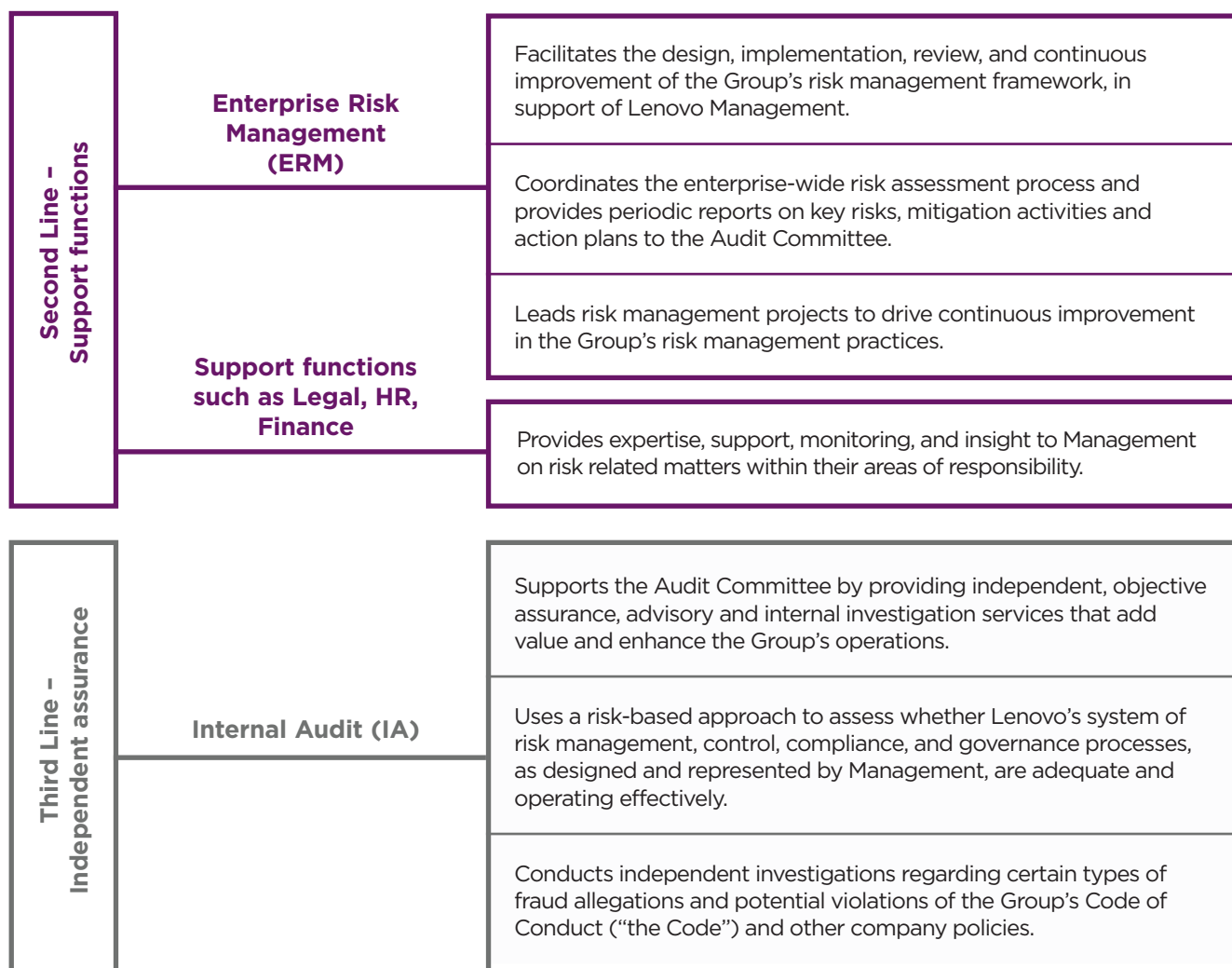
To support sustainable business value creation, Lenovo has adopted a comprehensive risk management and internal control framework based on the "Three Lines of Defense" model. This framework is overseen by the Board, with support from the Audit Committee, which monitors key business risks and evaluates the design and operating effectiveness of the Group's risk management and internal controls systems.



# Corporate governance report

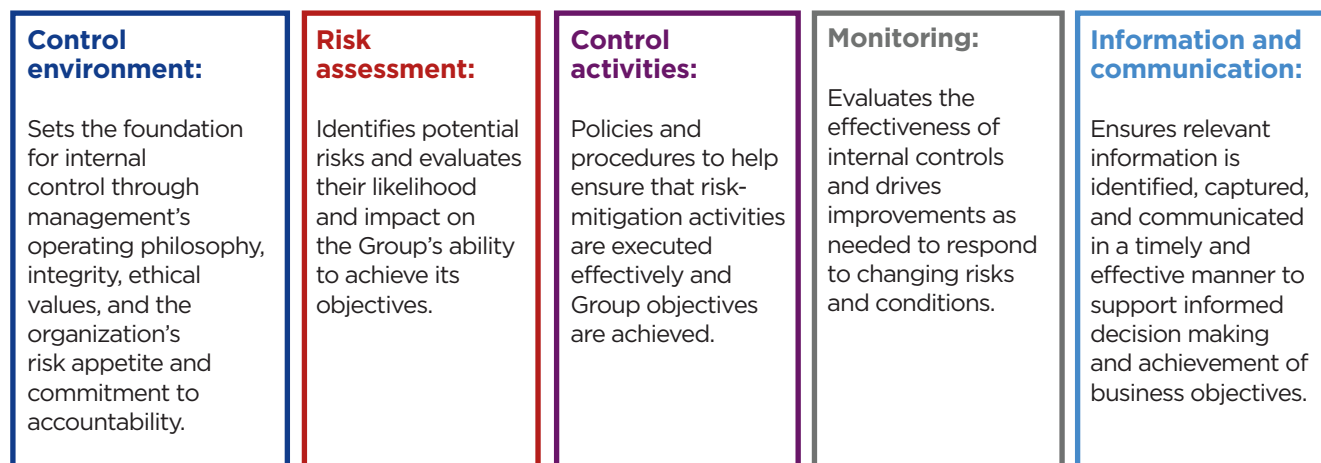
|                                                                     |                            |                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Governance & oversight                                              | Board of directors         | Responsible for overall governance of Lenovo's risk management and internal control systems.                                                                                                                                                  |
|                                                                     |                            | Oversees and monitors the effectiveness of the risk management and internal control systems through delegation to the Audit Committee and regular engagement with Management on the Group's strategies, objectives, and risk-related matters. |
|                                                                     | Audit Committee            | Delegated by the Board to assess the effectiveness of the Group's risk management and internal control systems.                                                                                                                               |
|                                                                     |                            | Receives regular reports from Management and Internal Audit on the design and operation of the Group's risk management and control systems.                                                                                                   |
|                                                                     |                            | Evaluates the adequacy and effectiveness of the internal audit function, including its audit plans, scope and execution.                                                                                                                      |
|                                                                     |                            | Reviews the Group's enterprise risk management approach, including processes to identify, assess and report risks, as well as associated mitigation activities and action plans.                                                              |
| First Line - Own & manage risk to achieve organizational objectives | Lenovo Executive Committee | Sets the overall tone and expectations for identifying, mitigating, and monitoring significant business risks across the Group.                                                                                                               |
|                                                                     |                            | Designs, implements, and reviews the Group's risk management framework to ensure it remains effective and fit to purpose.                                                                                                                     |
|                                                                     |                            | Highlights key risks to the Audit Committee, and reports on status of actions taken to strengthen risk management.                                                                                                                            |
|                                                                     | Business management        | Establishes Group-wide policies and guidelines where appropriate, to drive consistency and accountability.                                                                                                                                    |
|                                                                     |                            | Identifies and prioritizes risks, implements mitigation measures, and monitors execution within their area of responsibility.                                                                                                                 |
|                                                                     |                            | Appoints Risk Management (RM) liaisons to collaborate closely with the Enterprise Risk Management (ERM) team.                                                                                                                                 |
|                                                                     |                            | Provides quarterly management disclosure and financial certifications as part of the Group's quarter-close process.                                                                                                                           |





This risk management and internal control framework is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. Accordingly, it provides reasonable, rather than absolute, assurance against material misstatement or loss. The framework helps improve risk-related communication with management, supports impact assessments, and enables the coordinated implementation of mitigation measures.

While the Three Lines of Defense model defines roles and responsibilities, Lenovo also adopts the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to provide a structured process for identifying, assessing, managing, and monitoring risks. This framework is comprised of the following key components:



# Corporate governance report

## Risk assessment

Lenovo's Board and management recognize that risk management is a shared responsibility across the Group, and is most effective when business functions are directly accountable for identifying and managing risks within their areas.

Rather than being treated as a standalone exercise, risk assessment is integrated into the Group's strategic and operational planning processes across all major business functions. As part of these planning activities, each function is required to identify and assess material risks that may affect the achievement of business objectives. These risks include strategic, operational, financial, compliance, and emerging risks. The ERM team consolidates and analyzes these risks to develop an integrated enterprise risk profile, aligns key themes and priorities with senior management, and presents the results to the Audit Committee for oversight and discussion. Examples of these risks include:



The risk assessment program is enterprise-wide, covering one hundred percent (100%) of the Group's operational sites annually. In addition, a mid-year review is conducted to assess changes in the external and internal environment, with corresponding updates to the risk profile as necessary. Through this program, management develops a holistic view of the Group's enterprise risk portfolio by facilitating risk assessments across business units and functions, conducting targeted reviews and integrating insights from specialized areas such as legal, compliance, cybersecurity, and finance. Risks requiring focused attention are categorized and prioritized, with formal response plans developed and monitored by Management.

Within this framework, management is responsible for setting the appropriate tone from the top, conducting risk assessments as noted above, and owning the design, implementation and maintenance of internal controls. Functional areas such as Finance, Legal, and Human Resources support these efforts by providing subject-matter expertise and operational guidance.

The Board and the Audit Committee oversee the actions of management and monitor the effectiveness of established controls, supported by the assurance provided through Internal Audit and the independent external auditor.

Further details on Lenovo's key risks can be found under "Material Risks of the Group" on pages 21 to 31.

## Internal control activities & monitoring

The Group's robust system of internal controls is supported by clearly defined corporate policies and procedures that are well-documented and communicated across the Group. These policies serve as the foundation for the Group's key operational guidelines and standards, ensuring consistency and accountability throughout the organization.

Complementing this framework, is the Group's strong corporate culture based on a foundation of ethical business conduct. The Group's Code of Conduct (the "Code") is the cornerstone of this culture, reflecting the Group's commitment to operating legally, ethically, and with integrity. The Code outlines clear expectations for legal and ethical business conduct and compliance with the Group's policies. While it does not detail every applicable law or process, the Code provides guidance on when and how to seek additional guidance or report potential concerns.

The Code is available in multiple languages on the Group's website. To reinforce its principles, the Group requires mandatory training on the Code and related policies, and any violation of the Code is treated as a serious matter. Failure to follow the Code, or violation of the policies described in the Code, can result in disciplinary action, including termination of employment or business relationships.

The Group has also developed and implemented numerous policies to provide more detailed guidance to employees on compliance with rules and laws, including those related to the prevention and detection of bribery and corruption. These include the Global Anti-Bribery and Corruption Policy, a Conflicts of Interest Policy, and a Global Gift, Entertainment, Corporate Hospitality and Travel Policy.

The Group has a zero-tolerance stance on bribery and corruption, and complies fully with anti-bribery and corruption laws in the jurisdictions in which it operates. The Group's policies reinforce provisions in the Code and provide additional guidance regarding compliance with global anti-bribery and corruption laws and regulations. The policies stress that Lenovo will not directly or indirectly solicit, offer, promise, authorize, provide, or accept anything of value to any person, including government officials, to influence action, inactions or to secure an improper advantage as defined by applicable laws.

Bribery and corruption risks are assessed annually as part of the Group's Enterprise Risk Management Program to ensure the Group's internal controls are adequate and effective.

To ensure a broad understanding of these requirements, the Group provides comprehensive training on anti-bribery and corruption. In FY 2025/26, this training was delivered through eLearning, resulting in a 99% completion rate among employees with access to the eLearning platform. New employees also receive Code training that includes anti-bribery and corruption topics. Finally, the Board and the senior management are provided a facilitator-led training session on anti-bribery and corruption.

The Group also expects its business partners to uphold the same ethical standards and comply with applicable anti-bribery and corruption laws and regulations. All business partners are subject to the Group's Partner Code of Conduct and Global Anti-Bribery and Corruption Policy, which includes requirements for anti-bribery and corruption due diligence on any business partner identified as presenting elevated bribery and corruption risks to the organization. The Group actively monitors its business partners to identify and address potential areas of concern or inquiries regarding bribery and corruption.

## Reporting ethical concerns

The Group recognizes that a culture of compliance, where employees feel empowered to raise concerns, is essential to the success of its internal control system. To support this, the Group provides a confidential and anonymous reporting mechanism (known as the LenovoLine) for raising concerns or reporting suspected misconduct, which is available to employees (including those in the supply chain) and external stakeholders such as customers and suppliers. These reporting procedures are governed by the Lenovo Whistleblowing and Investigations Policy which outlines how concerns can be raised, reviewed, and investigated. The Group is committed to maintaining the confidentiality of reports and thoroughly investigating all alleged misconduct. Significant matters arising from whistleblowing reports are reported to the Audit Committee to ensure appropriate oversight. The Group does not tolerate retaliation against individuals who report potential issues or raise concern in good faith, cooperate with an investigation or audit, or refuse to participate in activities that violate the Code, laws or company policies. To ensure effective oversight, the Group has established the Investigation Oversight Committee (IOC) to review the handling and resolution of all reported concerns and potential violations of the Code.

To further strengthen reporting accessibility, the Group's third-party whistleblowing and hotline provider, Whispli, offers an enhanced reporting platform that allows web-based and telephonic submissions in multiple languages. Key features include mobile reporting (iOS and Android), real-time translation, and a secure chat feature that allows for anonymous, ongoing dialog between reporters and investigators.

To promote awareness, the Group provides regular training and communications on the internal investigation process and to encourage employees to speak up without fear of retaliation. In FY 2025/26, training on Whistleblowing and Investigations was integrated into Lenovo's mandatory e-Learning anti-bribery and corruption training described earlier. Additional awareness efforts include detailed LenovoLine instructions, quarterly IOC communications summarizing investigation insights (with no identifying information), computer lock screen messages, posters, and other internal communications.

Another key feature of the Group's internal control system is the execution of key control self-assessments performed by management. These assessments help provide reasonable assurance that internal controls are operating effectively and that any identified weaknesses are addressed promptly. Specific control owners with subject matter expertise are designated within the business to support the design, execution, and monitoring of these controls.

Finally, in alignment with the Group's commitment to financial integrity, relevant senior executives certify quarterly the accuracy and completeness of the quarterly financial statements and confirm that key internal controls are operating effectively.

# Corporate governance report

## Inside information

Regarding procedures and internal controls for the handling and dissemination of inside information, the Group:

- (i) is aware of the Company's disclosure obligations under the SFO and the Listing Rules and the overriding principle under the SFO that inside information must be announced immediately unless exemption avails under the safe harbour rule provided therein;
- (ii) conducts its affairs with close regard to the applicable laws and regulations prevailing in Hong Kong S.A.R. of China and all other applicable laws, rules and regulations;
- (iii) has included in the Code a strict prohibition on the unauthorized use of non-public or inside information;
- (iv) has established a Continuous Disclosure Policy along with its guidance notes for monitoring, reporting and disseminating inside information to our shareholders, investors, analysts and media. These policy and guidance notes also identify who are the Group's authorized spokespersons and their responsibilities for communications with stakeholders; and
- (v) has communicated to all relevant staff regarding the implementation of the Continuous Disclosure Policy and the relevant trainings are also provided.

## Risk management oversight

To support the Audit Committee in its oversight responsibilities, the Group maintains an independent, global Internal Audit function. Internal Audit provides objective assurance that the system of internal controls is effective and operating as intended.

The mission of Internal Audit is to provide the Board and management with:

- Independent and objective assessment of the Group's internal control system;
- Guidance to stakeholders on improving risk management;
- Proactive support to improve the Group's control posture; and
- Independent investigations into certain allegations of fraud and violations of the Code and other Group policies.

The Financial Risk Management & Data Governance team drives the Quarterly Financial Disclosure Process (QFDP), coordinating quarterly disclosures and certifications to support the accuracy and completeness of financial reporting and ensure compliance with applicable financial reporting standards and the Listing Rules.

To fulfill this mission, Internal Audit has unrestricted access to all operations, records, data, systems, property, and personnel across the Group. To preserve independence, the Chief Auditor reports functionally to the Audit Committee and administratively to the Chief Financial Officer. The Chief Auditor is also authorized to communicate directly with the Chairman of the Board, the Chairman of the Audit Committee and other Board members as necessary. Internal Audit maintains a comprehensive quality assurance and improvement program, aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. In addition, the Audit Committee periodically commissions an independent, external quality review of the Internal Audit function. The Audit Committee also reviews the adequacy of resources (including internal and external resources) for designing, implementing and monitoring the Group's risk management and internal control systems. This includes an assessment of the organizational structure, staffing levels, qualifications and experience, training programmes, and budget of the Group's accounting, internal audit, financial reporting and ESG-related functions, to ensure that these functions are appropriately resourced and capable of effectively supporting the Group's risk management and internal control systems.

Internal Audit operates on a rolling six-month audit planning cycle, allowing the function to remain agile and responsive to emerging risks and changes in the business environment. Each cycle begins with a risk assessment informed by input from process owners, the Enterprise Risk Management team, senior executives, the external auditor, Ethics & Compliance, and the Board. The resulting audit plan prioritizes areas of significant risk and is approved by the Audit Committee. The Committee receives quarterly updates on plan execution, key findings, and any necessary adjustments to reflect evolving priorities. Internal Audit also conducts ad hoc reviews at the request of management or the Audit Committee, as needed. The Internal Audit function is responsible for reviewing the effectiveness of the Group's risk management and internal control systems. These reviews are conducted using a risk-based approach through a structured audit planning process, with audit activities performed on a regular basis and key findings reported to the Audit Committee on a quarterly basis. In addition, external auditors and independent external reviewers provide assurance on specific aspects of the Group's control environment, including periodic external quality assessments of the Internal Audit function.

In FY2025/26, Internal Audit issued multiple reports covering key operational and financial areas across the Group. It tracks management's implementation of corrective actions and reports progress quarterly to the Audit Committee. Reporting also includes significant control issues identified by Internal Audit to ensure full visibility into the status of the Group's control environment.



As noted previously, Internal Audit is responsible for investigating certain types of misconduct allegations or potential violations of policies. These investigations are conducted in coordination with Legal, Ethics & Compliance, Human Resources, Security, and other relevant experts. Results, required actions, and progress updates are reported to management and the Audit Committee.

### Board review and confirmation of effectiveness

The Board, supported by the Audit Committee, regularly reviews the effectiveness of the Group's risk management and internal control system. This review encompasses all material risks, including ESG risks, and relevant key controls across financial, operational, information technology, and compliance areas.

The Board is not aware of any significant areas of concern which may affect the shareholders. During the reporting period, there were no significant changes in the Group's assessment of risks (including ESG risks), nor significant control failings or weaknesses identified. Where areas of improvements were noted, appropriate remedial actions have been taken or are being implemented to address such matters.

There were also no significant changes in the design and operation of its risk management and internal control systems. The Board's conclusion on the effectiveness of the Group's risk management and internal control systems is supported by information and confirmations provided by management, the Audit Committee, Internal Audit and the independent external auditor, as well as other relevant internal and external parties.

The Board confirms that the Group has fully complied with the Corporate Governance Code provisions.

### Remuneration of external auditor

The fees paid or payable to PwC for audit and non-audit services for FY2025/26 and the comparative figures for the financial year ended March 31, 2025 are as follows:

| Nature of services | FY2025/26<br>US\$ million | FY2024/25<br>US\$ million |
|--------------------|---------------------------|---------------------------|
| Audit services     | 12.3                      | 10.9                      |
| Non-audit services |                           |                           |
| — Tax              | 0.1                       | 0.1                       |
| — Non-tax          | 0.2                       | 0.1                       |
| — Other assurance  | 0.4                       | 0.3                       |
| <b>Total</b>       | <b>13.0</b>               | 11.4                      |

### External auditor

#### Independence of external auditor

The Group's external auditor is PricewaterhouseCoopers ("PwC"), who is remunerated mainly for its audit services provided to the Group. The Company has adopted a policy on engagement of the external auditor for non-assurance services, under which the external auditor is required to comply with the independence requirements under the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. The external auditor may provide certain non-assurance services to the Group given that these do not involve any management or decision making functions for and on behalf of the Group; do not perform any self-assessments; and do not act in an advocacy role for the Group. Certain types of non-assurance services have been pre-concurred in the policy and separate concurrence by the Audit Committee is required if the proposed services have not been pre-concurred or the value of such non-assurance services above US\$320,000.

During FY2025/26, PwC provided audit and non-audit services (including tax, non-tax and other assurance services) to the Group.

# Corporate governance report

## Investor relations

### Communications with investors

The Company is devoted to providing transparent and clear communications with investors and analysts to help them form a better understanding of the Group's business development and prospects.

#### Shareholders Communication Policy

The Company has adopted a Shareholders Communication Policy to ensure that the investment community is provided with timely and equal access to fair, balanced and understandable information on the Group's financial performance, corporate strategies and ESG initiatives. The policy also sets forth various communication channels through which senior management and the Investor Relations ("IR") can conduct ongoing dialogs with investors and analysts on business strategy and address market concerns about the Group. The policy can be accessed through Lenovo's [IR website](#).

#### Investor engagement and communications

Investors and analysts could engage directly with the Chairman and Chief Executive Officer, the Chief Financial Officer and other senior management on a quarterly basis via the communication channels set out in the Shareholders' Communication Policy. Such channels include investor conferences, non-deal roadshows, one on one/group meetings, Tech World demonstrations, and company visits. The IR team also stands ready to provide relevant public information to investors and analysts to support an appropriate valuation of the Company's equity.

During FY2025/26, the Company met with nearly 900 institutional investors and analysts, mainly from the Greater China, Asia Pacific, UK, Europe and North America. Some key channels during the year are highlighted below.

### Quarterly IR communications

#### *Results announcements*

Senior management delivered the annual and quarterly earnings results via webcasts, conference calls, social media and face-to-face meetings with international and domestic shareholders, investors and analysts. These communication channels strengthened the capital market's understanding of the Group's business strategy, execution approach and competitive advantages.

#### *Post-results Non-Deal Roadshows, global conferences, and key investor meetings*

The IR team and senior management participate in Non-Deal Roadshows ("NDR") each quarter to meet with existing and prospective investors. In FY2025/26, Lenovo organized in-person NDRs in the US, UK, Continental Europe, Greater China, and Asia Pacific, engaging investors and analysts across these markets. The IR team also held one-on-one meetings with key investors and continued to strengthen effective communication channels with the investment community.

#### Lenovo corporate events: CES and Tech World Hong Kong

IR team continues to broaden its investor outreach through flagship corporate events including CES and Tech World Hong Kong. At worldwide (WW) Tech World 2026 held alongside CES, the IR team hosted leading global investors and analysts for executive meetings, dedicated ISG sessions and product demonstrations, showcasing Lenovo's vision and innovation and reinforcing confidence in our AI-driven strategy and long-term growth outlook. In Hong Kong, Tech World 2026 featured an executive luncheon and AI innovation tour, with BG leaders sharing progress on Hybrid AI, the TruScale business model and ISG's path to sustained profitability through robust engagement.

#### Communications on ESG Initiatives

To foster understanding of Lenovo's ESG initiatives by the investment community, Lenovo conducts active communication with ESG rating agencies and funds, with ESG mandates regularly and upon request.

#### Investor conferences

To maintain active communications with institutional investors around the world, the senior management participated in the following investor conferences held by major international investment banks.

### Post earnings events attended in FY2025/26

| Date                        | Post earnings events<br>(Fourth quarter of FY2025/26)                        | No. of attendees          | Lenovo representatives                                            |
|-----------------------------|------------------------------------------------------------------------------|---------------------------|-------------------------------------------------------------------|
| January 7-8, 2026           | <b>WW Tech World @ CES Investor Tour &amp; Group Meetings Las Vegas</b>      | 79 Investors and Analysts | CFO, IR Team                                                      |
| January 8, 2026             | <b>WW Tech World @ CES ISG Analyst Roundtable Las Vegas</b>                  | 37 Investors and Analysts | President of ISG, CFO, IR Team                                    |
| February 13, 2026           | <b>Post Results NDR Luncheon via Macquarie Hong Kong</b>                     | 12 Investors              | CFO, IR Team                                                      |
| February 13-25, 2026        | <b>Post Results NDR Calls via CLSA, DBS, HSBC, Macquarie Virtual</b>         | 73 Investors              | CFO, IR Team                                                      |
| February 26-March 2, 2026   | <b>Shanghai &amp; Beijing Post Results NDR Shanghai, Beijing</b>             | 21 Investors              | IR Team & China Comms Team                                        |
| March 10, 2026              | <b>TechWorld @ Hong Kong Investor luncheon, AI Innovation Tour Hong Kong</b> | 50 Investors and Analysts | President of SSG, other executives from ISG and SSG, CFO, IR Team |
| March 11, 2026              | <b>J.P. Morgan Taiwan CEO-CFO Conference Taipei</b>                          | 22 Investors              | IR Team                                                           |
| March 17, 2026              | <b>Bank of America Asia Tech Conference Taipei</b>                           | 31 Investors              | IR Team                                                           |
| March 18, 2026              | <b>Jefferies Asia Forum Hong Kong</b>                                        | 60 Investors              | CFO, IR Team                                                      |
| March 23, 2026              | <b>Barrenjoey Australian Investor Group Meeting Hong Kong</b>                | 8 Investors               | CFO, IR Team                                                      |
| January 1 - March 31, 2026* | <b>Others investor calls/meetings</b>                                        | 10 Investors              | CFO, IR Team                                                      |

| Date                           | Post earnings events<br>(Third quarter of FY2025/26)                                | No. of attendees          | Lenovo representatives |
|--------------------------------|-------------------------------------------------------------------------------------|---------------------------|------------------------|
| November 11-25, 2025           | <b>Post Results NDR via DBS, Macquarie Hong Kong</b>                                | 14 Investors              | IR Team                |
| November 24-25, 2025           | <b>Bank of America 2025 Asia Internet &amp; AI Conference Taipei</b>                | 29 Investors              | IR Team                |
| November 26, 2025              | <b>Morgan Stanley Singapore NDR Singapore</b>                                       | 5 Investors               | IR Team                |
| December 2, 2025               | <b>CFO Group Meeting — Mainland Investors Shenzhen</b>                              | 40 Investors and Analysts | CFO, IR Team           |
| December 2, 2025               | <b>CFO Luncheon &amp; Future Center Tour — South Africa Investor Group Shenzhen</b> | 18 Investors and Analysts | CFO, IR Team           |
| October 1 - December 31, 2025* | <b>Others investor calls/meetings</b>                                               | 12 Investors              | CFO, IR Team           |

# Corporate governance report

| Date                         | Post earnings events<br>(Second quarter of FY2025/26)                  | No. of attendees          | Lenovo representatives |
|------------------------------|------------------------------------------------------------------------|---------------------------|------------------------|
| August 15, 2025              | <b>Macquarie NDR Luncheon Hong Kong</b>                                | 22 Investors              | CFO, IR Team           |
| August 18, 2025              | <b>CLSA NDR Luncheon Hong Kong</b>                                     | 10 Investors              | CFO, IR Team           |
| August 28, 2025              | <b>Morgan Stanley China BEST Conference Autumn Series Shenzhen</b>     | 12 Investors              | CFO, IR Team           |
| September 1-2, 2025          | <b>HSBC 12th Annual China Conference Hong Kong</b>                     | 25 Investors              | CFO, IR Team           |
| September 1, 2025            | <b>Inside Innovation: Shenzhen Future Center Analyst tour Shenzhen</b> | 17 Investors and Analysts | CFO, IR Team           |
| September 3-4, 2025          | <b>Goldman Sachs Asia Leaders Conference Hong Kong</b>                 | 62 Investors              | CFO, IR Team           |
| September 8-9, 2025          | <b>Bank of America Asia Pacific Conference Hong Kong</b>               | 32 Investors              | IR Team                |
| September 15, 2025           | <b>UBS Taiwan Summit Taipei</b>                                        | 21 Investors              | IR Team                |
| September 17-18, 2025        | <b>Macquarie Asia Tech &amp; Internet Conference Hong Kong</b>         | 15 Investors              | IR Team                |
| July 1 - September 30, 2025* | <b>Others investor calls/meetings</b>                                  | 13 Investors              | CFO, IR Team           |

| Date                     | Post earnings events<br>(First quarter of FY2025/26)  | No. of attendees | Lenovo representatives |
|--------------------------|-------------------------------------------------------|------------------|------------------------|
| May 26-29, 2025          | <b>Morgan Stanley NDR Hong Kong</b>                   | 16 Investors     | IR Team                |
| May 27-28, 2025          | <b>UBS Asian Investment Conference 2025 Hong Kong</b> | 37 Investors     | CFO, IR Team           |
| June 6, 2025             | <b>Stock commentators luncheon Hong Kong</b>          | 12 Investors     | CFO, IR Team           |
| April 1 - June 30, 2025* | <b>Others investor calls/meetings</b>                 | 25 Investors     | CFO, IR Team           |

\* No meetings with investors during the blackout period.



## Effectiveness of the Shareholders communication policy

The Company's Shareholders Communication Policy sets out clear principles and standards for engagement with the investment community. During FY2025/26, the Company received a range of awards from various organizations in recognition of its efforts to promote open and effective communication.

## Market recognition

Global Lighthouse Network Award: Lenovo's Monterrey, Mexico factory became the Company's second site recognized in the World Economic Forum's Global Lighthouse Network. The designation recognizes manufacturers deploying Fourth Industrial Revolution (4IR) technologies at scale to deliver step-change improvements in performance, operations, and sustainability.

For the fourth consecutive year, Lenovo received a AAA rating in the MSCI ESG Ratings Assessment — the highest score — recognizing industry leadership in managing ESG risks and opportunities.

CDP: In 2025, Lenovo earned an A rating from CDP for both climate change and water security. CDP's A score is its highest rating, recognizing global leaders in environmental transparency and sustainability performance.

EcoVadis: Lenovo again received the EcoVadis Platinum Medal, the provider's highest distinction. Lenovo ranked in the top 1% of companies assessed globally, reflecting strong environmental, social, and ethical performance.

HKICPA: Lenovo received HKICPA's 'Most Sustainable Organization' award in the Elite Past Winners (EPW) category, which recognizes companies with sustained, award-winning performance. This marks Lenovo's 13th consecutive year of recognition by HKICPA.

Hang Seng: Lenovo was included in the 2025 Hang Seng Corporate Sustainability Index with an AA+ rating, achieving the highest score in its industry for environmental and social performance.

## Index recognition

Lenovo has always been well recognized by the capital markets and the Company is currently a constituent stock of many indices. Below are some of the key ones:

- Hang Seng Index
- Hang Seng TECH Index
- Hang Seng China Enterprises Index
- Bloomberg World Large & Mid Cap Price Return Index
- Hang Seng Composite Index
- Bloomberg World Large, Mid & Small Cap Price Return Index
- Bloomberg ESG Data Index
- Bloomberg China Large & Mid Cap Price Return Index USD
- Solactive G2 AI 50 Select Index NTR
- S&P Global BMI (US Dollar)
- HKEX Tech 100 Index
- STOXX Global 1800 Index EUR
- Bloomberg APAC ex Japan Large & Mid Cap Price Return Index
- Bloomberg World Aggregate Price Return Index
- Solactive Harvest Tiger G2 Tech 50 Select Index NTR
- Bloomberg Asia Emerging Markets Large & Mid Cap Price Return Index
- Bloomberg World ex US Large & Mid Cap Price Return Index
- Mirae Asset China Tech Top 10 Index
- Solactive Asia Semiconductor Select Index NTR
- Bloomberg Emerging Markets Large, Mid & Small Cap Price Return Index
- Euronext Low Carbon 300 World PAB NR
- Bloomberg World Technology Large & Mid Cap Price Return Index

# Corporate governance report

## IR webpage, newsletters and social media

The Company maintains a regularly updated IR website that provides the public with convenient access to information about the Company, including financial reports, results announcements and other statutory publications, presentation materials, press releases, major corporate news, financial calendars and dividend announcements. IR contact details are also available on the website for stakeholders who wish to reach the IR team.

### Investor relations contact details

Investor Relations Team  
Lenovo Group Limited  
23rd Floor, Lincoln House, Taikoo Place,  
979 King's Road, Quarry Bay,  
Hong Kong SAR, China  
Telephone: (852) 2590 0228  
Facsimile: (852) 2516 5384  
Email: [ir@lenovo.com](mailto:ir@lenovo.com)

Shareholders can also request to be added to the Company's investor database to receive newsletters and news of major corporate developments sent out by the IR team on a regular basis, or simply follow Lenovo Investor Relations.

Please search for our WeChat ID: [Lenovo\\_IR](#) or use WeChat to scan the QR codes below for our WeChat account, WeChat Channel, and Weibo.

## You can also follow other Lenovo channels at:



## Follow us & stay tuned

Search  **Lenovo\_IR**  OR

Scan the QR code below  
in WeChat app



Lenovo values comments from shareholders and analysts. Some renowned analysts would be invited to the Company's Board meeting and communicate directly with Board members on their market views of Lenovo and market outlook. The IR also conveys messages to the Board on a quarterly basis on information including sell side consensus, the target price of the Company's shares, report summaries and questions and feedback collected from meetings with the investment community.

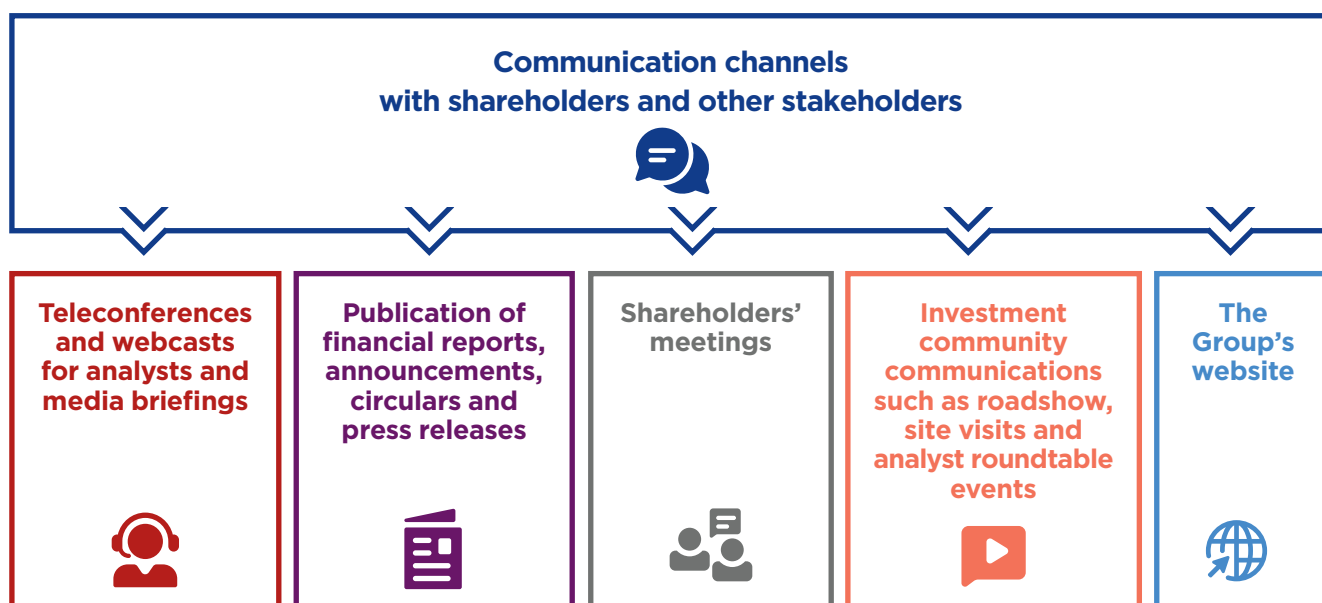
## 6 Shareholders

### Communications with shareholders

The Company is committed to safeguard shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group. As illustrated in the diagram below, the Company has established the Shareholders Communication Policy setting out various formal communication channels with

shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Group's performance and activities.

The Nomination and Governance Committee of the Company reviews the Shareholders Communication Policy on an annual basis and considers that the Shareholders Communication Policy was properly implemented during FY2025/26 and was effective with these multiple channels in place to promote two-way communication and active engagement with shareholders.



### Constructive use of the general meetings

General meetings of the Company serve as the principal forum for communication between the Company and its shareholders. Shareholders are encouraged to attend and participate in the meetings, either in person or, where applicable, through electronic means. Notice of the annual general meeting and related papers are sent to shareholders at least 21 days prior to the date of the meeting, while notice of other general meetings is dispatched at least 14 days prior to the relevant meeting date, in accordance with applicable laws and regulations. The information provided to shareholders includes, among other things, a summary of the business to be transacted at the general meetings, with each substantive matter proposed as a separate resolution.

The Company encourages shareholders to participate in general meetings as it provides a valuable opportunity for shareholders to engage in dialogs with the directors and senior management on matters relating to the

Group's affairs, among others, its financial and operational performance, social sustainability, future plans, and commitments with shareholders. Moreover, a question and answer session is arranged at each general meeting to facilitate direct communication between stakeholders and the Company.

During FY2025/26, the Company held the 2025 Annual General Meeting ("2025 AGM"). Consistent with the arrangement of annual general meetings held in recent years, the 2025 AGM was held in hybrid form, allowing shareholders of the Company to attend in person or through an online platform with live video broadcast where they were able to express their views and exercise their voting cast vote in real-time.

Further details of the 2025 AGM is set out in the following paragraphs.



# Corporate governance report

## 2025 AGM

The 2025 AGM was an important event in the Group's corporate calendar. At the 2025 AGM, the Group's latest products and smart AI technologies were showcased to enhance shareholders' understanding of the Group's current business developments, product offerings and strategic direction.

The Chairman of the Board, the chairmen of the Board Committees, the Lead Independent Director, other directors of the Company, the Chief Financial Officer, the Chief Legal and Corporate Responsibility Officer, the Company Secretary, and representatives of the Company's external auditor, PricewaterhouseCoopers, attended the 2025 AGM. They actively participated in the meeting, responded to shareholders' questions and engaged in direct communication with shareholders.





Separate resolutions on the following matters were proposed to shareholders for approval and the voting results of which resolved at the 2025 AGM are available on the Group's website and HKEx's website.

#### Matters resolved at the 2025 AGM <sup>Note</sup>



Receipt of the audited consolidated financial statements and the reports of the directors and the independent auditor



Declaration of final dividend



Re-election of retiring directors and authorization of the Board to fix directors' fees



Re-appointment of PwC as the Company's auditor and authorization of the Board to fix auditor's remuneration



Granting of the general mandate to issue shares not exceeding 20% of the aggregate number of shares in issue



Granting the general mandate to buy back shares not exceeding 10% of the aggregate number of shares in issue



Extending the general mandate to the directors to issue new shares by adding the number of shares bought back



Approving the proposed amendments to the Articles of Association of the Company and adopt the new Articles of Association of the Company

Note: The full text of the resolutions is set out in the notice of the 2025 AGM.

#### *2026 Annual General Meeting*

The 2026 Annual General Meeting will also be a hybrid meeting and is expected to be held on July 23, 2026. Details of the 2026 Annual General Meeting will be set out in the notice of the 2026 Annual General Meeting, which constitutes part of a circular to shareholders and will be dispatched, together with this annual report, to the shareholders of the Company pursuant to the Listing Rules requirements.

# Corporate governance report

## Shareholders' rights

### Procedures for convening a general meeting

Shareholder(s) representing at least 5% of the total voting rights of the Company of all the shareholders having a right to vote at general meetings may, in accordance with the requirements and procedures set out in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), request the Board to convene a general meeting by requisition, by stating the general nature of the business to be dealt at a general meeting and depositing the signed requisition at the registered office of the Company for the attention of the Company Secretary in hard copy form.

### Procedures for putting forward proposals at an annual general meeting

(a) Shareholder(s) representing at least 2.5% of the total voting rights of all the shareholders of the Company having a right to vote on the resolution at the annual general meeting; or (b) at least 50 shareholders having a right to vote on the resolution at the annual general meeting may, in accordance with the requirements and procedures set out in the Companies Ordinance, requisition for the circulation of resolutions to be moved at annual general meetings and circulation of statements of not more than 1,000 words with respect to the matter referred to in the proposed resolution. Such written request must (i) state the resolution and be signed by all the requisitionists in one or more documents in like form; and (ii) be deposited in hard copy form at the registered office of the Company for the attention of the Company Secretary not less than six weeks before the annual general meeting; or if later, the time at which notice is given of that annual general meeting.

The detailed procedures for shareholders to convene and put forward proposals at an annual general meeting or general meeting, including proposing a person other than a retiring director for election as a director are set out in the "Corporate Governance" section of the Group's website. Shareholders may send their enquiries requiring the Board's attention to the Company at the registered address of the Company.

## Constitutional documents

Rights of the shareholders are also provided under the Articles of Association. During FY2025/26, an amended Articles of Association of the Company was adopted subsequent to the shareholders' approval at 2025 AGM on July 17, 2025. An up to date consolidated version of the Articles of Association is available on the Group's website and the HKEx's website.

### Dissemination of Corporate Communication

Shareholders may, at any time, free of charge ask for printed form of corporate communications (in English and/or Chinese), and change the choice of language and/or means of receipt of the Company's corporate communication, details of which is on the Group's investor relations website.

### Dividend policy

The Company adopted the Dividend Policy of providing shareholders with sustainable dividends on a semi-annual basis. The level of dividends shall be determined in line with the growth in the Company's consolidated profits attributable to shareholders of the relevant financial period (after adjustments for restructuring or other one-off non-cash items, if any) after considering the factors including the Group's operations, business plans and strategies, cash flows, financial conditions, operating and capital requirements and other contractual or regulatory restrictions. Whilst the Company does not intend to set any pre-determined dividend distribution ratio in order to allow for financial flexibility, the Company endeavors to strike a proper balance between shareholders' interests and prudent capital management.

## Shareholders information

Details of shareholders information of the Company as at March 31, 2026 are as follows:

### Details of registered shareholders by domicile

According to the register of members of the Company as of March 31, 2026, there were 621 registered shareholders, approximately 97.75% of whom had their registered addresses in Hong Kong S.A.R. of China and the remaining were in Mainland China, the United Kingdom, Canada and Macau S.A.R. of China. The actual number of beneficial shareholders in the ordinary shares of the Company may be larger than the registered shareholders, as a substantial portion of the shares are held through HKSCC Nominees Limited <sup>Note 1</sup> under the domicile of Hong Kong S.A.R. of China, which holds shares on behalf of investors.

### Details of shareholders by category

According to the best available data from an external research company, the shareholders of the Company comprised institutional and non-institutional investors, including, private investors, related parties (such as substantial shareholders, directors and employees of the Company). The table below summarizes the types of shareholders of the Company.

| Type                                      | Number of shares held | Percentage of the total number of shares in issue <sup>Note 2</sup> |
|-------------------------------------------|-----------------------|---------------------------------------------------------------------|
| Institutional investors <sup>Note 3</sup> | 3,802,073,962         | 30.65%                                                              |
| Non-institutional investors               |                       |                                                                     |
| – Private investors <sup>Note 4</sup>     | 1,205,770,630         | 9.72%                                                               |
| – Related parties <sup>Note 5</sup>       | 4,195,504,529         | 33.82%                                                              |
| – Others <sup>Note 6</sup>                | 3,201,310,181         | 25.81%                                                              |
| <b>Total</b>                              | <b>12,404,659,302</b> | <b>100%</b>                                                         |

### Details of institutional shareholders by domicile

With reference to the institutional investors disclosed above, there were 538 institutional shareholders, whose geographical composition is as follows:

| Domicile                                      | Number of institutional shareholders | Percentage of total number of institutional shareholders | Number of shares held | Percentage of the total number of shares in issue <sup>Note 2</sup> |
|-----------------------------------------------|--------------------------------------|----------------------------------------------------------|-----------------------|---------------------------------------------------------------------|
| Hong Kong S.A.R. of China                     | 59                                   | 10.96%                                                   | 742,624,641           | 5.99%                                                               |
| United Kingdom and Ireland                    | 56                                   | 10.41%                                                   | 359,942,598           | 2.90%                                                               |
| Europe (excluding United Kingdom and Ireland) | 159                                  | 29.55%                                                   | 434,146,881           | 3.50%                                                               |
| America                                       | 149                                  | 27.70%                                                   | 1,991,255,202         | 16.05%                                                              |
| Asia (excluding Hong Kong S.A.R. of China)    | 100                                  | 18.59%                                                   | 255,354,455           | 2.06%                                                               |
| Rest of World                                 | 15                                   | 2.79%                                                    | 18,750,185            | 0.15%                                                               |
| <b>Subtotal of institutional shareholders</b> | <b>538</b>                           | <b>100%</b>                                              | <b>3,802,073,962</b>  | <b>30.65%</b>                                                       |

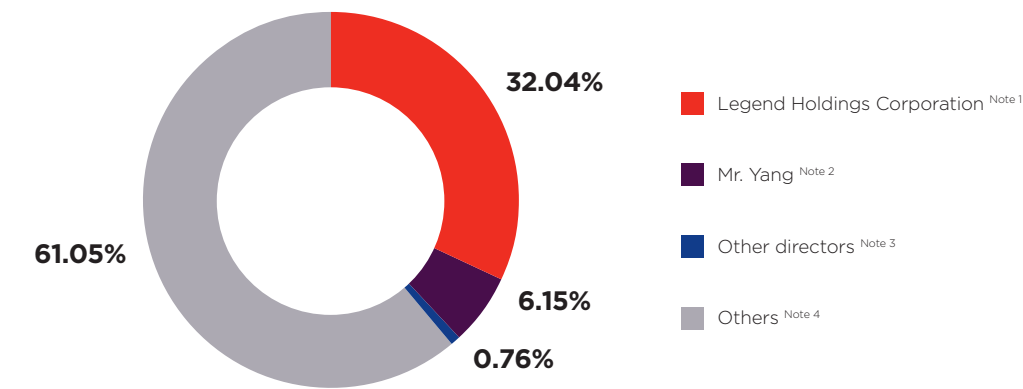
Notes:

1. The registered shareholders in Hong Kong S.A.R. of China include HKSCC Nominees Limited, which holds approximately 89.17% of all the issued ordinary shares of the Company.
2. The approximate percentages were compiled based on the 12,404,659,302 ordinary shares of the Company in issue as at March 31, 2026.
3. Institutional investors usually refer financial institutions providing products such as superannuation, investments and insurance.
4. Private investors refer to individuals who acquire shares of the listed company directly through the market or through a public offering. This does not include individuals whose investments are made through mutual funds that hold the shares of the Company.
5. Related parties refer to corporate or individual investors that add value to investments they make through industry and personal ties, which can assist companies in raising additional capital as well as provide assistance in the marketing and sales process.
6. Others include among other parties, brokers, custodians and nominees.

# Corporate governance report

## Shareholding structure

The shareholding structure of the Company as of March 31, 2026 is illustrated as follows:



Notes:

1. The approximate percentage of shareholding was calculated based on the 12,404,659,302 ordinary shares of the Company in issue as at March 31, 2026.
2. The approximate percentages of shareholding of Legend Holdings Corporation, Mr. Yang and other directors were calculated based on the issued ordinary shares of the Company in which such shareholders have personal/beneficial and corporate interests (where applicable) as disclosed under the respective sections of "directors' and chief executive's interests" and "substantial shareholders' and other persons' interests" of this Annual Report on pages 155 to 160. The shareholders' interests in the underlying shares of the Company as disclosed in the aforesaid sections of the Annual Report, were not included in the shareholding calculation illustrated in the diagram above.
3. Other directors refer to the directors of the Company excluding Mr. Yang.
4. Others refer to shareholders of the Company holding issued ordinary shares of the Company not disclosed above.



## 7 Key stock information

### Listing information

The Company's shares are listed on the Stock Exchange and traded in the United States through an American Depositary Receipt (ADR) Level 1 Programme.

### Market capitalization

As at March 31, 2026, the market capitalization of the shares of the Company was approximately HK\$113.5 billion, based on the total number of 12,404,659,302 ordinary shares of the Company and the closing price of HK\$9.15 per share.

The daily average number of traded shares of the Company was approximately 90.1 million shares in FY2025/26. The highest closing price for the share was HK\$12.56 per share on October 9, 2025 and the lowest was HK\$7.50 per share on both April 8, 2025 and April 9, 2025.

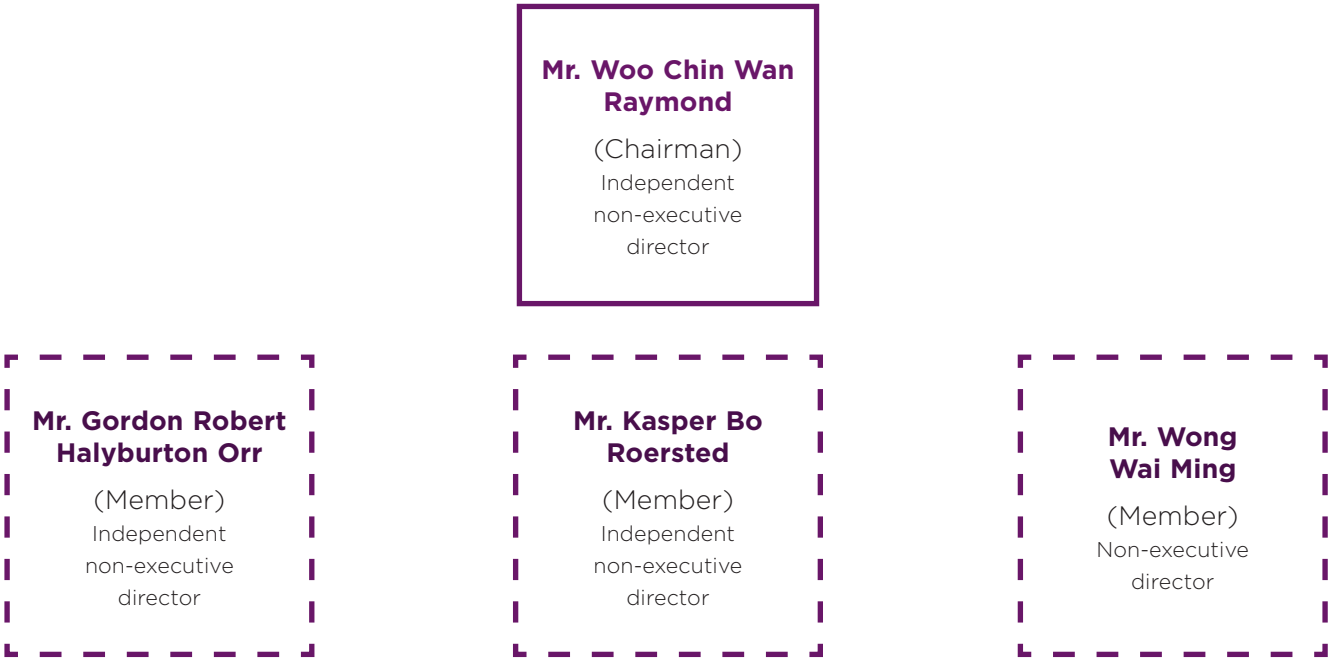
| Ordinary Shares (as at March 31, 2026)           |                                                                      |
|--------------------------------------------------|----------------------------------------------------------------------|
| Listing                                          | <b>Hong Kong Stock Exchange</b>                                      |
| Stock code                                       | <b>HKD Counter Stock Code: 992<br/>RMB Counter Stock Code: 80992</b> |
| Board lot size                                   | <b>2,000 shares</b>                                                  |
| Ordinary shares outstanding as of March 31, 2026 | <b>12,404,659,302 shares</b>                                         |
| Market capitalization as of March 31, 2026       | <b>HK\$113.5 billion<br/>(approximately US\$14.5 billion)</b>        |
| American Depositary Receipts Level I Program     |                                                                      |
| Ordinary share to ADR                            | <b>20:1</b>                                                          |
| Stock code                                       | <b>LNVGY</b>                                                         |
| Basic Earnings per Share                         |                                                                      |
| Basic earnings per share for FY2025/26           | <b>US15.63 cents</b>                                                 |
| Dividend per Share                               |                                                                      |
| Dividend per ordinary share for FY2025/26        |                                                                      |
| — Interim                                        | <b>HK8.5 cents</b>                                                   |
| — Final <sup>Note</sup>                          | <b>HK33.7 cents</b>                                                  |

Note: Subject to shareholders' approval at the 2026 Annual General Meeting.

# Audit committee report

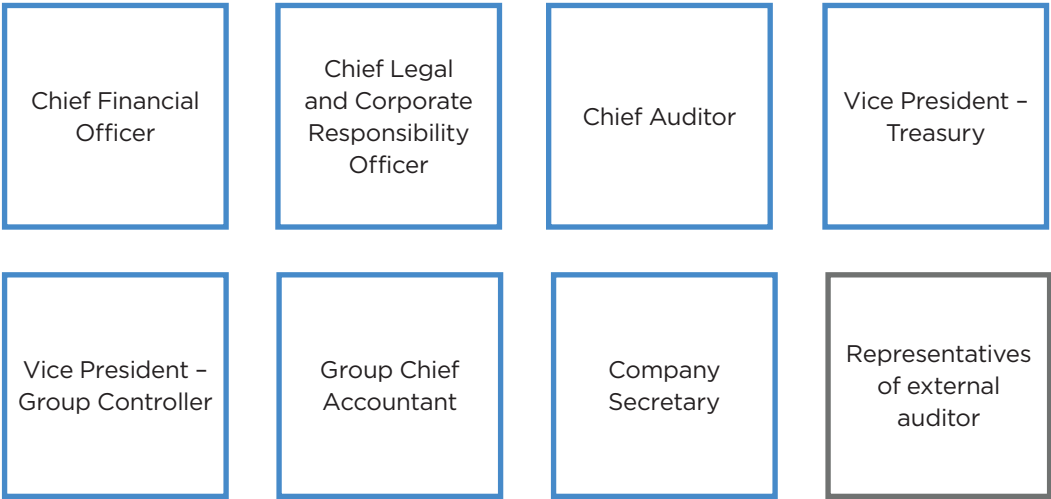
## Audit Committee

The audit committee (the “Audit Committee”) of the board of directors (the “Board”) of Lenovo Group Limited (the “Company”) has been established since 1999. The Audit Committee is comprised of the following members as at the date of this annual report:



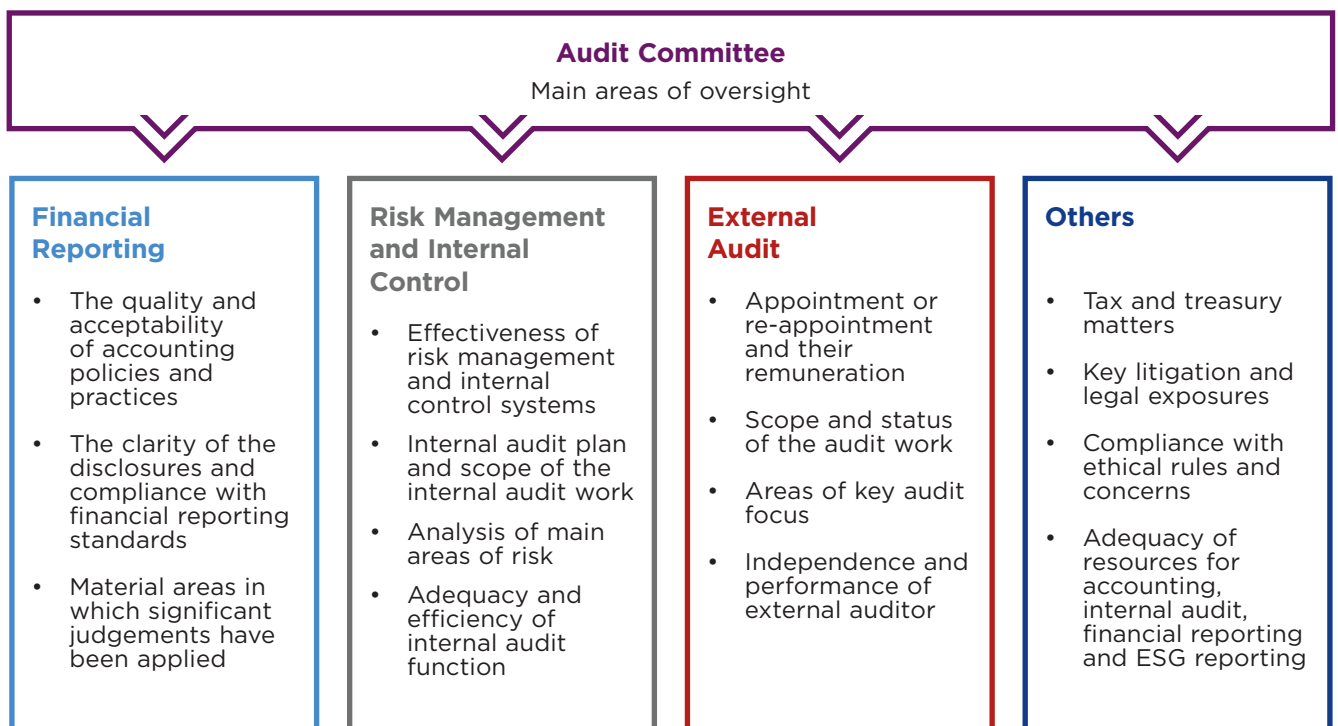
Mr. Woo, being the chairman of the Audit Committee, has appropriate professional qualifications or accounting or related financial management expertise as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Further details of the skills and experience of the members of Audit Committee are set out in the directors’ biographies on pages 147 to 150 of this annual report.

In addition to the members, regular attendees at the Audit Committee meetings are:



## Responsibilities

The Audit Committee is delegated by the Board with responsibilities to provide an independent review of the financial reporting, and to assess the effectiveness of risk management and internal control systems. It also reviews the adequacy of the Company's internal audit function and manages the Company's relationship with PricewaterhouseCoopers ("PwC"), the external auditor. The key responsibilities of the Audit Committee can be grouped into different areas as follows:



# Audit committee report

## Key Features

- The Audit Committee's terms of reference, covering its membership, authority, duties and frequency of meetings are published on the websites of the Company and its subsidiaries (collectively, the "Group") and Hong Kong Exchanges and Clearing Limited.
- The Audit Committee meets with external auditor, Chief Financial Officer, Chief Legal and Corporate Responsibility Officer, Chief Auditor and management of the accounting and financial reporting functions of the Company at least four times a year at quarterly intervals and is provided with sufficient resources to perform its duties.
- The Audit Committee is authorised to obtain external independent professional advice in performing its duties at the Company's expense.
- Separate executive sessions were arranged for the Audit Committee to meet with (i) external auditor and (ii) Chief Auditor and Chief Legal and Corporate Responsibility Officer, both in the absence of management to discuss matters relating to any issues arising from the audit and any other matters such persons would like to raise.
- Other management from the business is also invited to attend certain meetings from time to time in order to provide insights and enhance the Audit Committee's awareness of key issues and developments.
- External auditor, Chief Auditor and Chief Legal and Corporate Responsibility Officer have direct access to the Audit Committee should they wish to raise any concerns outside formal meetings.
- In addition to standing agenda items, the Audit Committee may request discussion on specific "deep-dive" topics.
- The chairman will report back to the Board after each of the Audit Committee meetings on its decisions or recommendations.
- The Company Secretary will circulate follow-up action lists, together with the minutes of the last meeting to management and the Audit Committee within a reasonable time after each meeting.



## Main agendas during FY2025/26

The Audit Committee operate under an agreed annual work plan, focusing on financial reporting; risk management and internal control; the oversight of external audit and the management of the Company's relationship with PwC, the external auditor. Key agenda items of the Audit Committee for FY2025/26 are set out in the below diagram.

### Specific items

|                                                                                                                                                     | May | 2025<br>August | November | 2026<br>February |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----|----------------|----------|------------------|
| Review of Annual/Interim/Quarterly results                                                                                                          |     |                |          |                  |
| • reports to the Audit Committee from Chief Financial Officer, Chief Legal and Corporate Responsibility Officer, Chief Auditor and external auditor | ●   | ●              | ●        | ●                |
| • results announcement                                                                                                                              | ●   | ●              | ●        | ●                |
| • annual report incorporating directors' report, corporate governance report and financial statements                                               | ●   |                |          |                  |
| • interim report                                                                                                                                    |     |                | ●        |                  |
| Review of enterprise risk management ("ERM")                                                                                                        | ●   |                | ●        |                  |
| Review of the performance and independence of external auditor                                                                                      | ●   |                |          |                  |
| Review of annual agenda of the Audit Committee                                                                                                      | ●   |                |          |                  |
| Meeting with external auditor in the absence of management                                                                                          | ●   |                | ●        |                  |
| Meeting with Chief Auditor and Chief Legal and Corporate Responsibility Officer in the absence of management                                        | ●   |                |          | ●                |
| Review of the Ethics and Compliance program of the Group                                                                                            |     | ●              |          |                  |
| Review of adequacy of resources, staff qualifications and experience, training programmes and budget                                                |     |                |          |                  |
| • accounting, internal audit and financial reporting function                                                                                       |     |                |          | ●                |
| • ESG performance and reporting                                                                                                                     | ●   |                |          |                  |
| Recommendations to the board                                                                                                                        |     |                |          |                  |
| • annual/interim/quarterly results, annual/interim report and related results announcement                                                          | ●   | ●              | ●        | ●                |
| • re-appointment of external auditor                                                                                                                | ●   |                |          |                  |

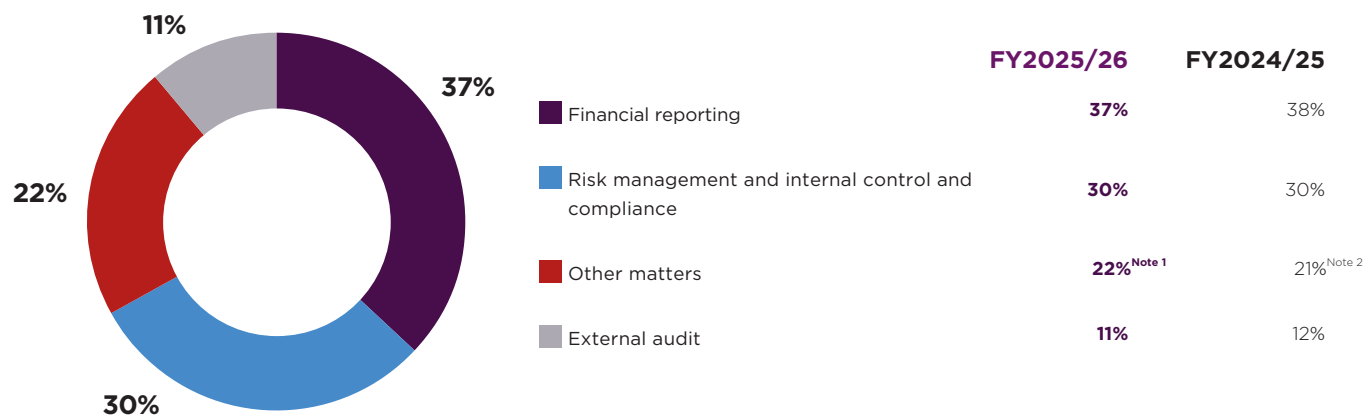
### Standing items



# Audit committee report

In FY2025/26, the Audit Committee held four meetings, with all members in attendance at each meeting. The attendance record of the Audit Committee's members is set out in the Corporate governance report on page 95 and the chart below shows how the Audit Committee allocated its agenda time during FY2025/26.

## Allocation of agenda time



Notes:

- 1. Other matters include Tax, ESG compliance and artificial intelligence adoption.
- 2. Other matters include Tax, ESG compliance, cyber security, artificial intelligence governance and digital transformation.

At each meeting, the Audit Committee received reports and presentations on key financial reporting, internal control and audit matters from management, who attended the meetings to report on significant issues and responded to queries raised by the Audit Committee. The main matters and areas that the Audit Committee reviewed and considered at its four meetings during the year and how the Audit Committee discharges its responsibilities were as follows:

## Financial reporting

With the support of the external auditor, the Audit Committee assessed whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgements and whether disclosures were in compliance with the financial reporting standards. The Audit Committee:

- reviewed and recommended to the Board for approval of financial results of the Group after discussion with the management and external auditor for:
  - (a) audited annual results of the Group for the year ended March 31, 2025, together with the related annual results announcement and the annual report incorporating the directors' report and corporate governance report;
  - (b) unaudited interim results of the Group for the six months ended September 30, 2025, together with the related interim results announcement and the interim report; and quarterly results for the three months ended June 30, 2025 and for the nine months ended December 31, 2025, together with its respective results announcements;
- received reports from, and met with, external auditor and internal auditor to discuss the scope of their review and findings;
- reviewed the impairment assessment of goodwill and other intangible assets with indefinite useful lives; and
- reviewed and discussed with management on significant judgements and key assumptions together with presentational and disclosure issues associated with accounting standards and interpretive guidance affecting the Group's financial statements and financial results announcements; items reviewed and discussed included:
  - (a) net current liabilities position and deferred income tax assets;
  - (b) the accounting treatment for material transactions and projects;
  - (c) the accounting treatment for the Group's goodwill; and
  - (d) the accounting provisions and treatments for deferred income tax assets, inventories, continuing connected transactions, mergers and acquisitions and other capital transactions.

## Risk management and internal control

To discharge the responsibility of reviewing and monitoring the effectiveness of the Group's risk management and internal control systems, the Audit Committee received regular reports from the Chief Auditor and if required from management, including legal and other business units. At each meeting, the Audit Committee reviewed the process for identifying, assessing and reporting key risks and control issues of the Group. The Audit Committee:

- reviewed internal control weaknesses of the Group, if any, identified by the internal audit work;
- discussed the semi-annual internal audit plan of the Group to ensure adequate scope, coverage over the activities of the Group and the resource requirements of internal audit to carry out its functions;
- reviewed the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the accounting, internal audit, and financial reporting functions, as well as those relating to the ESG performance and reporting;
- reviewed half-yearly the ERM of the Group including ERM approach, enterprise risk universe, external environmental scan, risk assessment, top risks, mitigation activities and actions and next steps;
- reviewed the risk assessment of litigation cases of the Group; and
- reviewed the effectiveness of risk management and internal control systems.

## External audit

To discharge the responsibility of overseeing the Board's relationship with the external auditor and monitoring the external auditor's performance, objectivity and independence and also the effectiveness of the audit process, the Audit Committee:

- reviewed the significant accounting matters, recent developments, observations and recommendations provided by the external auditor, if any;
- reviewed and considered the external auditor's statutory audit scope and results for FY2024/25, including the letter of representation to be given by the Board in respect of the financial year ended March 31, 2025;

- reviewed and considered the external auditor's audit plan and scope for FY2025/26;
- reviewed the auditor's report for the financial year ended March 31, 2025 together with the key audit matters and related audit procedures;
- assessed the external auditor's independence and objectivity including a review of the non-audit services provided by the external auditor;
- evaluated the performance of PwC and recommended to the Board for approval of the re-appointment of PwC as the external auditor of the Group for the financial year ended March 31, 2026; and
- reviewed the annual reporting of continuing connected transactions provided by the external auditor.

## Others

During FY2025/26, the Audit Committee also reviewed, among others:

- the reports from Chief Legal and Corporate Responsibility Officer regarding key litigations and other legal matters of the Group;
- the Ethics and Compliance program including the training initiatives, Lenovo Anti-Bribery & Corruption Policy and Lenovo Whistleblowing & Investigations Policy of the Group for employees to raise concerns about possible improprieties in financial reporting, internal control or other matters, and the enhancements to this program;
- updates on ESG compliance and disclosure evolution;
- updates on tax model and compliance;
- updates on artificial intelligence adoption;
- the Audit Committee report for incorporating into the annual report for FY2024/25; and
- the annual agenda of the Audit Committee for FY2025/26.

# Audit committee report

## Review of FY2025/26 financial results

At the meeting held on May 20, 2026, the Audit Committee:

- reviewed the key accounting judgements and policies adopted by the Group and confirmed that these are appropriate. The significant areas of judgement identified by the Audit Committee, in conjunction with management and the external auditor, together with a number of other areas that the Audit Committee deemed to be significant in the context of the consolidated financial statements of the Group for FY2025/26 are set out in the Independent Auditor's Report on pages 168 to 172;
- discussed with management and the external auditor, and considered the Group's financial position, the Audit Committee was satisfied that the Group and the Company had adequate resources to continue in operational existence for the foreseeable future and confirmed to the Board that it was appropriate for the consolidated financial statements of the Group for FY2025/26 to be prepared on a going concern basis; and
- reviewed the consolidated financial statements of the Group for FY2025/26 in conjunction with the narrative sections of this annual report. The Audit Committee was satisfied that, taken as a whole, this annual report presented a balanced, clear and comprehensible assessment of the Group's performance, position and prospects.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board the approval of the audited consolidated financial statements of the Group for FY2025/26 together with the related annual results announcement and this annual report incorporating the directors' report and corporate governance report.

## Review of risk management and internal control systems

The Group's internal control system covers every activity and transaction. Within this framework, management performs periodic enterprise wide risk assessments and continuously monitors and reports the progress of action plans to address the key risks. Further information about the risk management and internal control framework and control processes are set out in the corporate governance report on pages 99 to 103.

Based on the information and confirmation received from management, external auditor and internal auditor, the Audit Committee concluded that for FY2025/26, the Group's risk management and internal control systems were adequate and effective. The Audit Committee also confirmed that the Group had, in FY2025/26, satisfactorily complied with the code provisions on risk management and internal control as set forth in the Corporate Governance Code in Appendix C1 to the Listing Rules.

## Recommendation for re-appointment of the external auditor

The Audit Committee recognizes the importance of maintaining the independence of the external auditor. Consistent with its terms of reference, the Audit Committee has evaluated PwC's qualifications, performance, and independence, including that of the lead audit partner. The Company has established a policy pursuant to which certain types of non-assurance services have been pre-concurred in the policy and separate concurrence by the Audit Committee is required if the proposed services have not been pre-concurred or the value of such non-assurance services is above US\$320,000. This policy is more fully described in the corporate governance report on page 105. The Audit Committee has concluded that provision of the non-assurance services described in that section was compatible with maintaining the independence of PwC. In addition, PwC has provided the Audit Committee an independence statement confirming that for FY2025/26 and thereafter to the date of this annual report, they are independent of the Group in accordance with the independence requirements of the Hong Kong Institute of Certified Public Accountants.

Based on the review and discussions referred to above, the Audit Committee was satisfied with the external auditor's work, its independence and objectivity, and therefore recommended to the Board the re-appointment of PwC as the Group's external auditor for the financial year ending March 31, 2027 for shareholders' approval at the forthcoming annual general meeting to be held on July 23, 2026.

## Priorities for FY2026/27

Looking ahead, the priorities of the Audit Committee for the FY2026/27 are:

- to stay focused on high standard financial accounting and reporting, audit quality, effective risk management and internal control;
- to stay updated on the developments and impacts of data security, product security, cybersecurity, artificial intelligence and regulatory compliance; and
- to remain vigilant on the impacts of the business conditions on the Group under ongoing geopolitical and macroeconomic impacts.



# Compensation committee report

## Compensation Committee

The compensation committee (the “Compensation Committee”) of the board of directors (the “Board”) of Lenovo Group Limited (the “Company”) as at the date of this annual report is comprised of three members, all of whom are non-executive directors of the Company (the “Non-executive Directors”) and majority of whom including the Compensation Committee chairman are independent non-executive directors of the Company (the “Independent Non-executive Directors”).

The members who held office as at the date of this annual report are:

|                                                                                                   |                                                                    |                                                                                       |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Mr. Gordon Robert Halyburton Orr</b><br>(Chairman)<br>Independent<br>Non-executive<br>Director | <b>Mr. Zhao John Huan</b><br>(Member)<br>Non-executive<br>Director | <b>Mr. Kasper Bo Roersted</b><br>(Member)<br>Independent<br>Non-executive<br>Director |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------|

Further details of the skills and experience of the members of the Compensation Committee are set out in the directors’ biographies on pages 147 to 150 of this annual report.

In addition to its members, regular attendees at the Compensation Committee are:

|                                                                                |                                          |                                                   |
|--------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------|
| Chairman of the Board and CEO                                                  | Senior Vice President of Human Resources | Vice President of Global Rewards                  |
| Executive Director of Executive Compensation, Share Plans, and Global Mobility | Company Secretary                        | Representatives of independent HR Consulting Firm |

# Compensation committee report

## Responsibilities

The Compensation Committee is delegated by the Board with the following responsibilities:

- establish a formal and transparent procedure for developing compensation policy for all Directors and senior management;
- approve the amount and forms of compensation to be provided to all Directors and senior management;
- review and assess the performance of Chairman of the Board and chief executive officer (“CEO”);
- review the incentive compensation arrangements to determine whether they encourage excessive risk-taking, and evaluate compensation policies and practices that could mitigate any such risk, and also encourage pay for performance;
- evaluate the need for, and provisions of severance arrangements for senior management;
- review and approve matters relating to the share schemes; and
- review the recommendation from independent professional adviser on the compensation of Non-executive Directors.

| Key Features                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Compensation Committee’s terms of reference, covering its membership, authority, duties and frequency of meetings, are published on the websites of the Company and its subsidiaries (collectively, the “Group” or “Lenovo”) and Hong Kong Exchanges and Clearing Limited. |
| The Compensation Committee meets with management and external independent professional adviser on a timely basis and is provided with sufficient resources to perform its duties.                                                                                              |
| The Compensation Committee is authorized to obtain external independent professional advice in performing its duties at the Company’s expense.                                                                                                                                 |
| The Compensation Committee shall ensure that no director is involved in deciding his or her own individual compensation.                                                                                                                                                       |
| Separate executive sessions were arranged for the Compensation Committee to meet with its external independent professional adviser, in the absence of executive director and management, to discuss relevant matters.                                                         |
| The chairman reports to the Board after each of the Compensation Committee meeting regarding decisions or recommendations.                                                                                                                                                     |

## Summary of work in FY2025/26

During the financial year ended March 31, 2026 (“FY2025/26”), the Compensation Committee held three meetings. The attendance record of the Compensation Committee’s members is set out in the Corporate governance report on page 95.

The key matters and areas that the Compensation Committee reviewed during the year were as follows:

### Review of company and market information

- reviewed the overall compensation strategy;
- reviewed and approved the peer groups used for compensation benchmarking for the CEO, senior management, and Non-executive Directors;
- reviewed the market positioning of CEO and senior management compensation including pay levels and mix;
- reviewed the compensation trends, remuneration practices and regulatory developments in the technology industry;

### Compensation program

- reviewed the CEO pay and performance evaluation process;
- reviewed and approved FY2025/26 Performance Bonus plan;
- reviewed and approved FY2025/26 Long Term Incentive (“LTI”) plan, including key plan features such as award vehicles, performance metrics, grant and vesting schedules, and LTI budget for the entire company;
- reviewed and approved FY2025/26 target compensation level, and actual incentive pay-out for Chairman and CEO, and senior management;
- reviewed the holding power and share ownership positions of both senior management and Non-executive Directors;
- reviewed the analysis and recommendations from an independent professional adviser on FY2025/26 Non-executive Directors’ fee arrangement;
- reviewed Employee Stock Purchase Program;

### Others

- reviewed the Compensation Committee report for inclusion in the annual report for FY2025/26; and
- reviewed and approved the annual agenda of the Compensation Committee for FY2025/26.

# Compensation committee report

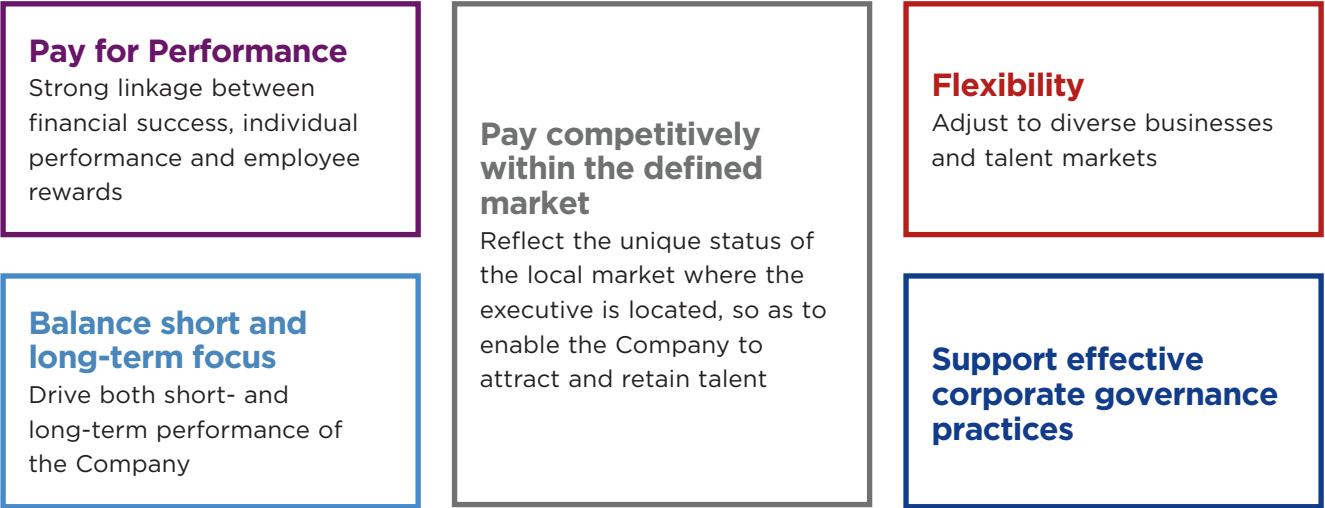
## Compensation policy

### Overall principles

Lenovo recognizes the importance of attracting and retaining top talent and is strongly committed to effective corporate governance. Consistent with this philosophy, the Company has a formal, transparent and performance-driven compensation policy covering its directors, senior management and general employees.

Lenovo's compensation framework is designed to align with the Company's business strategy, attract and retain top talent, reinforce the Company's pay-for-performance culture, and reflect market practices of leading global technology firms, particularly Lenovo's closest competitors.

The Compensation Committee regularly reviews Lenovo's compensation practices to ensure they adhere to the following five core principles and objectives.



### Non-executive directors

The Compensation Committee regularly reviews the compensation program for the Non-executive Directors to ensure its appropriateness considering the Non-executive Directors' time commitment, workload, job requirements and responsibilities versus Lenovo's peer companies and the broader market. Details of the current package and the review carried out in this financial year are set out in the "Remuneration Reviews" below.

### Chairman/CEO and senior management

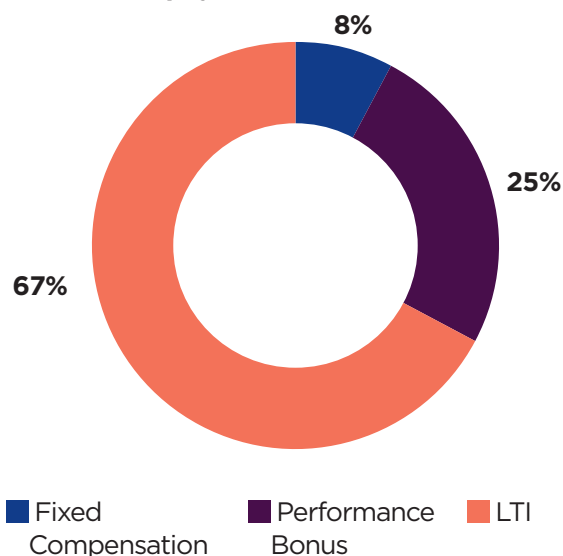
To ensure Lenovo's compensation for the Chairman/CEO and senior management reflect the policy and principles described above, the Compensation Committee considers a number of relevant factors in the determination of their compensation. Such factors include salary and total compensation paid by peer companies, job responsibilities and scopes, the Company's business performance and individual performance.

The compensation structure of Lenovo's Chairman/CEO and senior management consists of base salaries, allowances, performance-based bonuses, LTI, retirement benefits, and benefits-in-kind. These components and their mix are described below.

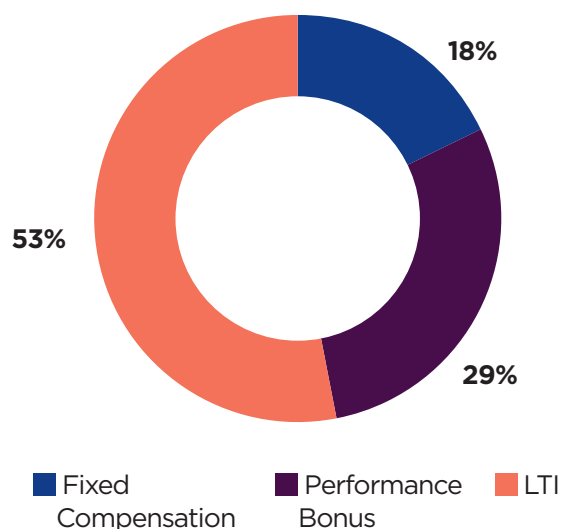
The Chairman/CEO pay mix chart reflects FY2025/26 emoluments disclosed in note 8 to the financial statements. The senior management pay mix chart reflects average FY2025/26 emolument including accounting cost of the LTI awards.



**Chairman/CEO pay mix**



**Senior Management pay mix (average)**



#### Fixed compensation

Fixed compensation includes base salary, allowances and benefits-in-kind (e.g. medical, dental and life insurance, etc.). Base salary and allowances are set and reviewed annually for each position, reflecting the executive's responsibility, experience, competitive market positioning for comparable positions, as well as the Company's performance and individual contribution to the business. Allowances, if any, are provided to facilitate temporary and permanent staff relocations. Benefits-in-kind are reviewed regularly taking into consideration relevant industry and local market practices.

#### Performance bonus

The Chairman/CEO and senior management are eligible to receive performance bonuses. These bonuses are determined by evaluating the business performance through selected financial and non-financial metrics which may be measured at the Group, relevant business groups and/or geography levels, as well as individual performance contributions.

#### LTI Program

The Group operates an LTI Program which was adopted by the Company in 2005 and amended in 2008, 2016 and 2022 respectively. The purpose of the LTI Program is to attract, retain, reward and motivate executive and Non-executive Directors, senior management, consultants and selected top-performing employees of the Group (the "Participants"), while reinforcing direct alignment with shareholders' interests. Unless terminated earlier by the Company, the LTI Program will remain effective for a term of 10 years from its adoption at the shareholders' meeting held on July 9, 2019.

Under the LTI Program, the Company maintains two types of equity-based compensation vehicles: (i) share appreciation rights, and (ii) restricted share units. These vehicles are described in more detail below.

# Compensation committee report

(i) *Share Appreciation Rights (“SARs”)*

SARs entitle the holders to receive the increase in the Company’s share price above a predetermined level. SARs are typically subject to a vesting schedule of up to three years. Once vested, Participants will be given up to seven years from SAR grant date to exercise the units, subject to adjustments if they leave the Company. The exercise price is set as the closing share price on each grant date, and SAR value per unit is determined based on Black Scholes valuation model, with inputs including closing price on grant date, share price volatility and average dividend yield in the past three years, the expected risk-free rate over the vesting period etc.

The Company reserves the right to settle awards under the SAR Program in cash or in ordinary shares at its discretion. The Company has created and funded a trust to pay shares to eligible recipients.

(ii) *Restricted Share Units (“RSUs”)*

Each RSU is equivalent to the value of one ordinary share of the Company, and is granted to eligible recipients at no cost. The grant price is set as the 10-day average closing price prior to the grant date. RSUs are typically subject to a vesting schedule of up to three years. Once vested, each RSU is converted to an ordinary share, or its cash equivalent. Dividends are typically not paid on RSUs before the vesting date.

The Company reserves the right to settle awards under the RSU Program in cash or in ordinary shares at its discretion. Additionally, the Company has established and funded a trust to deliver shares to eligible recipients.

There is no specific limit on the maximum number of SARs and RSUs which may be granted to each Participant under the SAR and RSU plans. The RSU program remains valid within its term until termination by the Board. The validity and enforceability of any awards made before the date of termination shall not be affected by such termination.

The number of units awarded under the LTI Program is reviewed annually, considering each individual’s contribution to the long-term performance of the Company, the Group’s performance, and the competitive market positioning of Participants’ total compensation packages. In certain circumstances, awards under the LTI Program may be granted to support strategic new hires.

In FY2025/26, the LTI Program continues to operate through purchasing existing shares from the market, and the Company did not issue any new shares under the LTI Program.

**Retirement benefits**

The Company operates a number of retirement schemes for its employees, including executive director and senior management. These schemes are reviewed regularly and are intended to deliver benefit levels that are consistent with local market practices. Details of the retirement schemes are set out in the directors’ report on pages 161 to 163.

**General employees**

By end of this financial year, the Group had a headcount of approximately 73,500 worldwide.

Lenovo believes that employees are its most important strategic resource and recognizes that each employee must be valued as an individual and treated fairly and equitably. Lenovo’s compensation philosophy supports this value and targets compensation competitively within the relevant competitive market, with significant upside for achieving exceptional performance. Lenovo seeks to identify and reward exceptional performance in ways that sends clear messages about the Company’s priorities and values.



Similar to senior management, employees at Lenovo are eligible for fixed compensation including base salary, allowances and benefits-in-kind. Eligible employees would also receive performance bonus based on individual, business group and/or geographies, and company performance. In addition, selected top-performing employees are eligible to participate in the LTI Program which is delivered in RSUs.

## Remuneration reviews

The Compensation Committee regularly reviews the Company's compensation programs to ensure alignment with its stated objectives as well as competitiveness in the talent market. Typically, reviews for base salary, performance bonus, and LTI award are conducted on an annual basis. Non-executive Directors' fees are reviewed for alignment with market practice on an annual basis as well.

### FY2025/26 non-executive director fee review

In May 2025, the Compensation Committee engaged an independent international compensation consulting firm to conduct an analysis of the compensation package of the non-executive directors. Following recommendations from the independent consulting firm, the Board approved maintaining the current fee structure for board members with no changes.

Final recommendations as subsequently approved by the Board (comprising executive director of the Company only) based on the delegation from shareholders of the Company are summarized in the table below:

| Compensation element      | FY2025/26<br>(US\$)                                              | FY2024/25<br>(US\$) |
|---------------------------|------------------------------------------------------------------|---------------------|
| Cash retainer             | 100,000<br>(approximately<br>HK\$780,000)                        | 100,000             |
| LTI award                 | 240,000<br>(approximately<br>HK\$1,872,000)                      | 240,000             |
| <b>Total remuneration</b> | <b>340,000</b><br><b>(approximately</b><br><b>HK\$2,652,000)</b> | 340,000             |

\* The LTI award is delivered in RSUs, which can be settled in either Lenovo shares or cash equivalent upon vesting. RSUs are subject to a three-year vesting period and are otherwise subject to the same terms and conditions of the RSU scheme described above.

The Board also considered and approved the independent international compensation consulting firm's recommendation on increasing the additional cash payment for the Lead Independent Director by US\$15,000 (approximately HK\$117,000):

| Compensation element                            | FY2025/26<br>(US\$)                      | FY2024/25<br>(US\$) |
|-------------------------------------------------|------------------------------------------|---------------------|
| Lead Independent Director                       | 50,000<br>(approximately<br>HK\$390,000) | 35,000              |
| Chairman of Audit Committee                     | 35,000<br>(approximately<br>HK\$273,000) | 35,000              |
| Chairman of Compensation Committee              | 25,000<br>(approximately<br>HK\$195,000) | 25,000              |
| Chairman of Nomination and Governance Committee | 20,000<br>(approximately<br>HK\$156,000) | 20,000              |
| Member of Audit Committee                       | 15,000<br>(approximately<br>HK\$117,000) | 15,000              |
| Member of Compensation Committee                | 15,000<br>(approximately<br>HK\$117,000) | 15,000              |
| Member of Nomination and Governance Committee   | 12,250<br>(approximately<br>HK\$95,550)  | 12,250              |

# Compensation committee report

Further details of the compensation of the Non-executive Directors are included in note 8 to the financial statements. SAR and RSU awards outstanding for Non-executive Directors as of March 31, 2026 under the LTI Program are presented in the “Long Term Incentive Program” section of this report.

## FY2025/26 chairman/CEO and senior management review

### Fixed compensation

As a part of its annual review process, the Compensation Committee engaged an independent international compensation consulting firm to review base salary, and Target Total Direct Compensation for the Chairman/CEO and senior management in May 2025.

Based on the assessment, it is recommended to maintain the base salary for the Chairman/CEO at RMB9,516,800 (approximately US\$1,331,664). Base salaries for selected senior management increased by 2% on average to adjust for role changes and market movement in respective countries.

### Performance bonus

Chairman/CEO and senior management’s FY2025/26 performance bonus pay-outs were approved at the May 2026 Compensation Committee meeting. Final bonus pay-outs for Chairman/CEO and senior management were determined based on overall pre-tax income, total revenue, services and software revenue, and customer experience delivered in FY2025/26 as well as individual performance.

## Remuneration of senior management

The remuneration of senior management fell within the following bands for the year ended March 31, 2026:

| Remuneration bands             | Number of senior management |
|--------------------------------|-----------------------------|
| Below US\$3,000,000            | 1                           |
| US\$3,000,001 to US\$6,000,000 | 5                           |
| US\$6,000,001 to US\$9,000,000 | 3                           |
| Above US\$9,000,001            | 2                           |

## LTI Program

The most recent full cycle of LTI awards including both SARs and RSUs was made in June 2025. The next cycle of LTI awards including SARs and RSUs is expected to be in June 2026.

Selected executives, including the Chairman/CEO and senior management, received LTI awards based on Company’s and individual’s performance achievement during a 2-year performance period.

## Employee Share Purchase Plan

The Company launched an employee share purchase plan (the “Plan”) since October 2016, aim at encouraging share ownership by the general employee. Under the Plan, eligible employees receive one matching restricted share unit for every four ordinary shares of the Company purchased through qualified employee contributions. The matching restricted share units are subject to a vesting period of up to two years. Executive and Non-executive Directors, as well as senior management of the Company, are not eligible to participate in the Plan.

Same as prior years, the Plan operates by purchasing existing shares from the market, and the Company has not issued any new shares under this Plan.

**Emoluments of directors for FY2025/26 and five highest paid individuals**

Details of the emoluments of directors and the five highest paid individuals are set out in note 8 to the financial statements.

**FY2025/26 employees review**

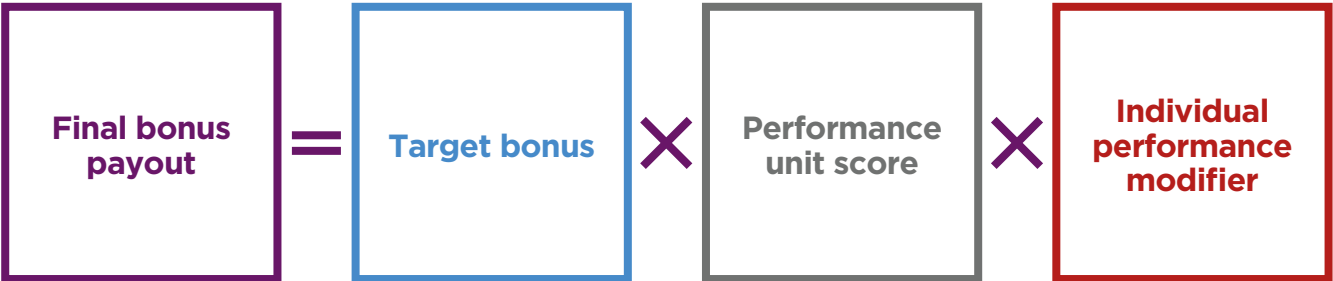
**Fixed compensation**

Each year, management conducts a market review to ensure fixed compensation changes are aligned and competitive with market trends. The review incorporates input from several external survey providers and formal assessments of individual performance.

**Performance bonus**

Performance bonus for general employees is based on individual performance and performance of their respective business unit or “Performance Groups”. For FY2025/26, there were a total of approximately 110 different Performance Units within the Company each with its unique performance metrics and targets, which consist of a financial component, services and software component and a customer experience component.

For FY2025/26 performance bonus, mid-year progress payment was made for general employees in December 2025, and full payment based on annual business outcomes will be trued-up in June 2026 based on approved final bonus funding.



**LTI Program**

For FY2025/26, 25.0% of eligible employees received an award under the LTI Program.



# Compensation committee report

## Long Term Incentive Program

The movements in the share awards of the Executive and Non-executive Directors during FY2025/26 are as follows:

| Name                    | Award type | Date of grant<br>(mm.dd.yyyy) | Effective<br>price<br>(HK\$) | Closing price<br>of the shares<br>immediately<br>before the date<br>the awards<br>were granted<br>(HK\$) | The fair value<br>of awards at<br>the date of<br>grant<br>(HK\$) | Weighted average<br>closing price of the<br>shares immediately<br>before the dates<br>the awards were<br>exercised or vested<br>(HK\$) |
|-------------------------|------------|-------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Yang Yuanqing       | SAR        | 06.03.2019                    | 5.79                         | -                                                                                                        | -                                                                | 11.91                                                                                                                                  |
|                         | SAR        | 06.01.2020                    | 4.22                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.20.2022                    | 7.34                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2023                    | 7.46                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.02.2025                    | 8.93                         | 9.04                                                                                                     | 23,531,073                                                       | -                                                                                                                                      |
|                         | SAR        | 06.02.2025                    | 8.93                         | 9.04                                                                                                     | 26,668,550                                                       | -                                                                                                                                      |
|                         | RSU        | 06.20.2022                    | 7.54                         | -                                                                                                        | -                                                                | 8.97                                                                                                                                   |
|                         | RSU        | 06.20.2022                    | 7.54                         | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.01.2023                    | 7.57                         | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.01.2023                    | 7.57                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.52                                                                                                                                   |
|                         | RSU        | 06.02.2025                    | 9.54                         | 9.04                                                                                                     | 35,296,612                                                       | 9.45                                                                                                                                   |
|                         | RSU        | 06.02.2025                    | 9.54                         | 9.04                                                                                                     | 40,002,822                                                       | -                                                                                                                                      |
| Mr. Zhu Linan           | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                         | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                         | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                         | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Zhao John Huan      | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                         | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                         | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                         | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Wong Wai Ming       | SAR        | 06.01.2020                    | 4.22                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2021                    | 9.45                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.16.2022                    | 7.13                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2023                    | 7.46                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | RSU        | 06.16.2022                    | 7.62                         | -                                                                                                        | -                                                                | 9.15                                                                                                                                   |
|                         | RSU        | 06.01.2023                    | 7.57                         | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.52                                                                                                                                   |
|                         | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Ms. Laura Green Quatela | SAR        | 06.03.2019                    | 5.79                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2020                    | 4.22                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2021                    | 9.45                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2022                    | 7.63                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.01.2023                    | 7.46                         | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | SAR        | 06.03.2024                    | 11.34                        | -                                                                                                        | -                                                                | -                                                                                                                                      |
|                         | RSU        | 06.01.2022                    | 7.65                         | -                                                                                                        | -                                                                | 9.04                                                                                                                                   |
|                         | RSU        | 06.01.2023                    | 7.57                         | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.88                                                                                                                                   |
|                         | RSU        | 06.03.2024                    | 11.24                        | -                                                                                                        | -                                                                | 9.52                                                                                                                                   |
|                         | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |

| Number of units                      |                                 |                              |                                 |                                       |                                                             |                                |
|--------------------------------------|---------------------------------|------------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------------|--------------------------------|
| As at<br>April 1, 2025<br>(unvested) | New grant<br>during the<br>year | Vested<br>during the<br>year | Exercised<br>during the<br>year | As at<br>March 31, 2026<br>(unvested) | Total<br>outstanding<br>as at<br>March 31, 2026<br>(Note 1) | Vesting period<br>(mm.dd.yyyy) |
| -                                    | -                               | -                            | 79,451,149                      | -                                     | -                                                           | 06.03.2020 - 06.03.2022        |
| -                                    | -                               | -                            | -                               | -                                     | 76,048,055                                                  | 06.01.2021 - 06.01.2023        |
| 12,794,125                           | -                               | 10,235,300                   | -                               | 2,558,825                             | 30,705,901                                                  | 06.01.2024 - 06.01.2026        |
| 3,066,024                            | -                               | 2,452,520                    | -                               | 613,504                               | 7,356,097                                                   | 06.01.2024 - 06.01.2026        |
| 1,539,190                            | -                               | 1,231,202                    | -                               | 307,988                               | 3,692,871                                                   | 06.03.2024 - 06.01.2026        |
| 7,729,265                            | -                               | 4,507,705                    | -                               | 3,221,560                             | 7,729,265                                                   | 06.01.2025 - 06.01.2027        |
| -                                    | 9,723,584                       | 5,670,792                    | -                               | 4,052,792                             | 9,723,584                                                   | 06.02.2025 - 06.01.2027        |
| -                                    | 10,540,929                      | -                            | -                               | 10,540,929                            | 10,540,929                                                  | 06.01.2026 - 06.01.2028        |
| 4,987,562                            | -                               | 4,987,562                    | -                               | -                                     | -                                                           | 06.20.2025                     |
| 4,479,641                            | -                               | 3,583,713                    | -                               | 895,928                               | 895,928                                                     | 06.01.2024 - 06.01.2026        |
| 1,099,640                            | -                               | 879,600                      | -                               | 220,040                               | 220,040                                                     | 06.01.2024 - 06.01.2026        |
| 1,046,821                            | -                               | -                            | -                               | 1,046,821                             | 1,046,821                                                   | 06.01.2026                     |
| 684,009                              | -                               | 547,140                      | -                               | 136,869                               | 136,869                                                     | 06.03.2024 - 06.01.2026        |
| 3,548,310                            | -                               | 2,069,373                    | -                               | 1,478,937                             | 1,478,937                                                   | 06.01.2025 - 06.01.2027        |
| -                                    | 3,699,079                       | 2,157,302                    | -                               | 1,541,777                             | 1,541,777                                                   | 06.02.2025 - 06.01.2027        |
| -                                    | 4,192,289                       | -                            | -                               | 4,192,289                             | 4,192,289                                                   | 06.01.2026 - 06.01.2028        |
| 100,356                              | -                               | 100,356                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 100,356                              | -                               | 100,356                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| -                                    | -                               | -                            | -                               | -                                     | 2,154,619                                                   | 06.01.2021 - 06.01.2023        |
| -                                    | -                               | -                            | -                               | -                                     | 12,160,642                                                  | 06.01.2022 - 06.01.2024        |
| 1,064,884                            | -                               | 1,064,884                    | -                               | -                                     | 8,519,069                                                   | 06.16.2023 - 06.16.2025        |
| 1,587,120                            | -                               | 1,269,538                    | -                               | 317,582                               | 3,807,862                                                   | 06.01.2024 - 06.01.2026        |
| 445,754                              | -                               | 356,558                      | -                               | 89,196                                | 1,069,465                                                   | 06.03.2024 - 06.01.2026        |
| 2,500,645                            | -                               | 1,458,377                    | -                               | 1,042,268                             | 2,500,645                                                   | 06.01.2025 - 06.01.2027        |
| 356,359                              | -                               | 356,359                      | -                               | -                                     | -                                                           | 06.16.2023 - 06.16.2025        |
| 569,227                              | -                               | 455,322                      | -                               | 113,905                               | 113,905                                                     | 06.01.2024 - 06.01.2026        |
| 132,060                              | -                               | 105,636                      | -                               | 26,424                                | 26,424                                                      | 06.03.2024 - 06.01.2026        |
| 765,322                              | -                               | 446,335                      | -                               | 318,987                               | 318,987                                                     | 06.01.2025 - 06.01.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| -                                    | -                               | -                            | -                               | -                                     | 13,711,578                                                  | 06.03.2020 - 06.03.2022        |
| -                                    | -                               | -                            | -                               | -                                     | 2,084,885                                                   | 06.01.2021 - 06.01.2023        |
| -                                    | -                               | -                            | -                               | -                                     | 6,920,466                                                   | 06.01.2022 - 06.01.2024        |
| 320,347                              | -                               | 320,347                      | -                               | -                                     | 3,841,086                                                   | 06.01.2023 - 06.01.2025        |
| 563,607                              | -                               | 450,831                      | -                               | 112,776                               | 1,352,224                                                   | 06.01.2024 - 06.01.2026        |
| 122,353                              | -                               | 97,812                       | -                               | 24,541                                | 293,551                                                     | 06.03.2024 - 06.01.2026        |
| 710,410                              | -                               | 414,311                      | -                               | 296,099                               | 710,410                                                     | 06.01.2025 - 06.01.2027        |
| 103,056                              | -                               | 103,056                      | -                               | -                                     | -                                                           | 06.01.2023 - 06.01.2025        |
| 359,847                              | -                               | 323,384                      | -                               | 36,463                                | 36,463                                                      | 06.01.2024 - 06.01.2026        |
| 101,773                              | -                               | 86,934                       | -                               | 14,839                                | 14,839                                                      | 06.03.2024 - 06.01.2026        |
| 622,384                              | -                               | 380,399                      | -                               | 241,985                               | 241,985                                                     | 06.01.2025 - 06.01.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |

# Compensation committee report

## Long Term Incentive Program *(continued)*

| Name                                                            | Award type | Date of grant<br>(mm.dd.yyyy) | Effective<br>price<br>(HK\$) | Closing price<br>of the shares<br>immediately<br>before the date<br>the awards<br>were granted<br>(HK\$) | The fair value<br>of awards at<br>the date of<br>grant<br>(HK\$) | Weighted average<br>closing price of the<br>shares immediately<br>before the dates<br>the awards were<br>exercised or vested<br>(HK\$) |
|-----------------------------------------------------------------|------------|-------------------------------|------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Mr. John Lawson<br>Thornton                                     | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Gordon Robert<br>Halyburton Orr                             | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Woo Chin Wan<br>Raymond                                     | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Ms. Yang Lan                                                    | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                                                                 | RSU        | 09.26.2022                    | 6.09                         | -                                                                                                        | -                                                                | 11.61                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 583,625                                                          | -                                                                                                                                      |
| Ms. Cher Wang Hsiueh<br>Hong                                    | RSU        | 11.15.2022                    | 6.31                         | -                                                                                                        | -                                                                | 10.50                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Professor Xue Lan                                               | RSU        | 09.14.2022                    | 6.26                         | -                                                                                                        | -                                                                | 11.83                                                                                                                                  |
|                                                                 | RSU        | 09.27.2023                    | 8.00                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Kasper Bo Roersted                                          | RSU        | 09.27.2024                    | 9.57                         | -                                                                                                        | -                                                                | 11.51                                                                                                                                  |
|                                                                 | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,867,622                                                        | -                                                                                                                                      |
| Mr. Amit Midha<br>(resigned with effect<br>from April 16, 2026) | RSU        | 09.29.2025                    | 11.84                        | 11.51                                                                                                    | 1,400,708                                                        | -                                                                                                                                      |

Note 1: Total outstanding number of units includes vested but unexercised SAR units, and unvested SAR units and/or unvested RSU units.

Note 2: Exercise period for SARs is seven years from the date of grant.

Note 3: No units were lapsed/nullified and cancelled during the period.

| Number of units                      |                                 |                              |                                 |                                       |                                                             |                                |
|--------------------------------------|---------------------------------|------------------------------|---------------------------------|---------------------------------------|-------------------------------------------------------------|--------------------------------|
| As at<br>April 1, 2025<br>(unvested) | New grant<br>during the<br>year | Vested<br>during the<br>year | Exercised<br>during the<br>year | As at<br>March 31, 2026<br>(unvested) | Total<br>outstanding<br>as at<br>March 31, 2026<br>(Note 1) | Vesting period<br>(mm.dd.yyyy) |
| 117,274                              | -                               | 58,637                       | -                               | 58,637                                | 58,637                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 100,357                              | -                               | 100,357                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 100,356                              | -                               | 100,356                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 100,356                              | -                               | 100,356                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 32,204                               | -                               | 32,204                       | -                               | -                                     | -                                                           | 09.26.2023 - 09.26.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 48,864                               | -                               | 24,432                       | -                               | 24,432                                | 24,432                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| 60,956                               | -                               | 20,318                       | -                               | 40,638                                | 40,638                                                      | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| -                                    | 49,301                          | -                            | -                               | 49,301                                | 49,301                                                      | 09.29.2026 - 09.29.2028        |
| 99,235                               | -                               | 99,235                       | -                               | -                                     | -                                                           | 11.15.2023 - 11.15.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 100,356                              | -                               | 100,356                      | -                               | -                                     | -                                                           | 09.14.2023 - 09.14.2025        |
| 156,365                              | -                               | 78,182                       | -                               | 78,183                                | 78,183                                                      | 09.27.2024 - 09.27.2026        |
| 195,060                              | -                               | 65,020                       | -                               | 130,040                               | 130,040                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| 243,825                              | -                               | 81,275                       | -                               | 162,550                               | 162,550                                                     | 09.27.2025 - 09.27.2027        |
| -                                    | 157,765                         | -                            | -                               | 157,765                               | 157,765                                                     | 09.29.2026 - 09.29.2028        |
| -                                    | 118,323                         | -                            | -                               | 118,323                               | 118,323                                                     | 09.29.2026 - 09.29.2028        |

# Compensation committee report

## Long Term Incentive Program *(continued)*

The movements in the share awards of other eligible participants during FY2025/26 are as follows:

| Category of participants                                                              | Award type | Financial year of award grant date | Effective price (HK\$) | Closing price of the shares immediately before the date the awards were granted (HK\$) | The fair value of awards at the date of grant (HK\$) | Weighted average closing price of the shares immediately before the dates the awards were exercised or vested (HK\$) |
|---------------------------------------------------------------------------------------|------------|------------------------------------|------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Five highest paid individuals (excluding one director, who is the CEO of the Company) | SAR        | 19/20                              | 5.79                   | -                                                                                      | -                                                    | 10.99                                                                                                                |
|                                                                                       | SAR        | 22/23                              | 7.63                   | -                                                                                      | -                                                    | 12.56                                                                                                                |
|                                                                                       | SAR        | 23/24                              | 7.46                   | -                                                                                      | -                                                    | 12.56                                                                                                                |
|                                                                                       | SAR        | 24/25                              | 11.34                  | -                                                                                      | -                                                    | -                                                                                                                    |
|                                                                                       | SAR        | 25/26                              | 8.93                   | 9.04                                                                                   | 23,782,375                                           | 12.56                                                                                                                |
|                                                                                       | RSU        | 22/23                              | 7.65                   | -                                                                                      | -                                                    | 9.04                                                                                                                 |
|                                                                                       | RSU        | 23/24                              | 7.57                   | -                                                                                      | -                                                    | 9.88                                                                                                                 |
|                                                                                       | RSU        | 24/25                              | 9.10-11.24             | -                                                                                      | -                                                    | 9.70                                                                                                                 |
|                                                                                       | RSU        | 25/26                              | 9.54                   | 9.04                                                                                   | 93,339,042                                           | 9.49                                                                                                                 |
| All other employees                                                                   | SAR        | 18/19                              | 4.00                   | -                                                                                      | -                                                    | 9.37                                                                                                                 |
|                                                                                       | SAR        | 19/20                              | 5.34-5.79              | -                                                                                      | -                                                    | 10.44                                                                                                                |
|                                                                                       | SAR        | 20/21                              | 4.22-7.01              | -                                                                                      | -                                                    | 10.75                                                                                                                |
|                                                                                       | SAR        | 21/22                              | 9.45                   | -                                                                                      | -                                                    | 11.76                                                                                                                |
|                                                                                       | SAR        | 22/23                              | 7.63                   | -                                                                                      | -                                                    | 11.25                                                                                                                |
|                                                                                       | SAR        | 23/24                              | 7.46                   | -                                                                                      | -                                                    | 11.06                                                                                                                |
|                                                                                       | SAR        | 24/25                              | 11.34                  | -                                                                                      | -                                                    | 11.64                                                                                                                |
|                                                                                       | SAR        | 25/26                              | 8.93                   | 9.04                                                                                   | 188,435,157                                          | 11.41                                                                                                                |
|                                                                                       | RSU        | 22/23                              | 5.84-8.05              | -                                                                                      | -                                                    | 9.32                                                                                                                 |
|                                                                                       | RSU        | 23/24                              | 7.57-10.47             | -                                                                                      | -                                                    | 9.90                                                                                                                 |
|                                                                                       | RSU        | 24/25                              | 9.10-12.55             | -                                                                                      | -                                                    | 9.58                                                                                                                 |
|                                                                                       | RSU        | 25/26                              | 9.22-11.82             | 9.04-11.55                                                                             | 2,046,802,877                                        | 9.51                                                                                                                 |
| Other eligible participants                                                           | SAR        | 18/19                              | 4.00-4.39              | -                                                                                      | -                                                    | 10.23                                                                                                                |
|                                                                                       | SAR        | 19/20                              | 5.79                   | -                                                                                      | -                                                    | 10.18                                                                                                                |
|                                                                                       | SAR        | 20/21                              | 4.22-4.78              | -                                                                                      | -                                                    | 10.52                                                                                                                |
|                                                                                       | SAR        | 21/22                              | 9.45                   | -                                                                                      | -                                                    | 10.92                                                                                                                |
|                                                                                       | SAR        | 22/23                              | 7.63                   | -                                                                                      | -                                                    | 10.18                                                                                                                |
|                                                                                       | SAR        | 23/24                              | 7.46                   | -                                                                                      | -                                                    | 10.34                                                                                                                |
|                                                                                       | SAR        | 24/25                              | 11.34                  | -                                                                                      | -                                                    | 11.78                                                                                                                |
|                                                                                       | SAR        | 25/26                              | 8.93                   | 9.04                                                                                   | 7,340,318                                            | 10.75                                                                                                                |
|                                                                                       | RSU        | 22/23                              | 5.84-7.93              | -                                                                                      | -                                                    | 9.39                                                                                                                 |
|                                                                                       | RSU        | 23/24                              | 7.57-10.47             | -                                                                                      | -                                                    | 9.87                                                                                                                 |
|                                                                                       | RSU        | 24/25                              | 9.10-12.55             | -                                                                                      | -                                                    | 9.52                                                                                                                 |
|                                                                                       | RSU        | 25/26                              | 9.22-11.84             | 9.04-11.51                                                                             | 79,719,224                                           | 8.49                                                                                                                 |

Note 1: Vesting period for SARs and RSUs is between the first and the third anniversary of the grant date.

Note 2: Exercise period for SARs is seven years from the date of grant.



Number of units

| As at<br>April 1, 2025<br>(unvested) | New grant<br>during the<br>year | Vested<br>during the<br>year | Exercised<br>during the<br>year | Lapsed/nullified<br>during the<br>year | Cancelled<br>during the<br>year | As at<br>March 31, 2026<br>(unvested) |
|--------------------------------------|---------------------------------|------------------------------|---------------------------------|----------------------------------------|---------------------------------|---------------------------------------|
| -                                    | -                               | -                            | 7,042,375                       | -                                      | -                               | -                                     |
| 1,941,496                            | -                               | 1,941,496                    | 372,277                         | -                                      | -                               | -                                     |
| 2,497,153                            | -                               | 1,997,478                    | 277,244                         | -                                      | -                               | 499,675                               |
| 4,623,249                            | -                               | 2,856,942                    | -                               | -                                      | -                               | 1,766,307                             |
| -                                    | 9,518,281                       | 1,584,585                    | 371,294                         | -                                      | -                               | 7,933,696                             |
| 825,700                              | -                               | 825,700                      | -                               | -                                      | -                               | -                                     |
| 1,791,222                            | -                               | 1,432,801                    | -                               | -                                      | -                               | 358,421                               |
| 15,479,139                           | -                               | 7,823,684                    | -                               | -                                      | -                               | 7,655,455                             |
| -                                    | 9,781,916                       | 1,205,625                    | -                               | -                                      | -                               | 8,576,291                             |
| -                                    | -                               | -                            | 1,873,920                       | 16                                     | -                               | -                                     |
| -                                    | -                               | -                            | 9,875,648                       | -                                      | -                               | -                                     |
| -                                    | -                               | -                            | 4,303,695                       | -                                      | -                               | -                                     |
| -                                    | -                               | -                            | 2,138,686                       | -                                      | -                               | -                                     |
| 10,458,112                           | -                               | 10,458,112                   | 17,146,664                      | -                                      | -                               | -                                     |
| 24,996,058                           | -                               | 19,994,066                   | 9,343,205                       | -                                      | -                               | 5,001,992                             |
| 39,778,044                           | -                               | 24,053,618                   | 2,303,150                       | -                                      | -                               | 15,724,426                            |
| -                                    | 75,133,426                      | 8,760,697                    | 1,665,672                       | -                                      | -                               | 66,372,729                            |
| 20,512,045                           | -                               | 20,511,564                   | -                               | -                                      | 481                             | -                                     |
| 81,952,727                           | -                               | 63,447,010                   | -                               | -                                      | 23,806                          | 18,481,911                            |
| 147,273,194                          | -                               | 82,712,784                   | -                               | -                                      | 31,597                          | 64,528,813                            |
| -                                    | 214,501,699                     | 3,742,852                    | -                               | -                                      | 486,222                         | 210,272,625                           |
| -                                    | -                               | -                            | 3,690,562                       | -                                      | -                               | -                                     |
| -                                    | -                               | -                            | 3,462,971                       | -                                      | -                               | -                                     |
| -                                    | -                               | -                            | 1,675,048                       | -                                      | -                               | -                                     |
| 3,274,369                            | -                               | 3,274,369                    | 2,177,393                       | 281,213                                | -                               | -                                     |
| 2,950,586                            | -                               | 2,939,795                    | 3,402,755                       | -                                      | 10,791                          | -                                     |
| 5,318,616                            | -                               | 3,763,378                    | 2,455,918                       | -                                      | 753,700                         | 801,538                               |
| 3,858,524                            | -                               | 2,002,030                    | 215,463                         | 488,591                                | 954,419                         | 902,075                               |
| -                                    | 2,920,769                       | 348,364                      | 47,038                          | -                                      | 1,010,752                       | 1,561,653                             |
| 3,355,519                            | -                               | 3,176,828                    | -                               | -                                      | 178,691                         | -                                     |
| 9,343,146                            | -                               | 5,745,716                    | -                               | -                                      | 2,848,114                       | 749,316                               |
| 12,804,838                           | -                               | 5,816,570                    | -                               | -                                      | 5,007,841                       | 1,980,427                             |
| -                                    | 8,270,936                       | 632,265                      | -                               | -                                      | 5,796,210                       | 1,842,461                             |

# Compensation committee report

## Other shareholder oriented features

### Stock ownership guidelines

Lenovo maintains stock ownership guidelines for selected executives, including the Chairman/CEO and senior management. The guidelines help to align executives with shareholders and focus executives on the long-term performance of Lenovo by requiring certain levels of share ownership. The guidelines (expressed as a multiple of base salary) vary by role and level and are expected to be achieved within five years of becoming an eligible executive. If the guidelines are not achieved, executives are required to retain a minimum portion of vested shares delivered through Lenovo's incentive plans until the guidelines are met. For the CEO and senior management, the minimum stock ownership requirement is set at 5 times and 3 times annual base salary, respectively. These guidelines are then expected to be maintained throughout the remainder of each executive's employment. As of the financial year end, all senior management met the minimum ownership level with only one executive remaining within the 5-year ownership buildup period. Additionally, the Non-executive Directors are subject to similar guidelines, all of them are in full compliance, with only one Non-executive Director is still within the 5-year stock ownership guidelines building up period.

### Claw back policy

Lenovo maintains a claw back policy for selected executives, including the Chairman/CEO and senior management. The policy states that in the event of a restatement of the Company's previously issued financial statements as a result of errors, omission, fraud or non-compliance, the Board may, in its discretion, attempt to recover all or a portion of compensation, with respect to any financial year in which the Company's financial results are negatively affected by such restatement.

|                                                |     |
|------------------------------------------------|-----|
| Directors' report                              | 142 |
| Independent auditor's report                   | 168 |
| Consolidated income statement                  | 173 |
| Consolidated statement of comprehensive income | 174 |
| Consolidated balance sheet                     | 175 |
| Consolidated cash flow statement               | 177 |
| Consolidated statement of changes in equity    | 179 |
| Notes to the financial statements              | 181 |
| Five-year financial summary                    | 267 |
| Corporate information                          | 268 |

# Directors' report

The directors of Lenovo Group Limited (the "Company") submit their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended March 31, 2026.

## Principal business and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 37 to the financial statements.

Details of the analyses of the Group's performance for the year by operating segment are set out in note 3 to the financial statements.

## Business review

A discussion and analysis of the activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2025, and an indication of likely future development in the Group's business, can be found in the "Five-year financial summary", "Chairman & CEO Statement" and "Management's discussion & analysis" sections of this annual report. These discussions form part of this directors' report.

## Results and appropriations

The results of the Group for the year are set out in the consolidated income statement on page 173 of this annual report.

The state of affairs of the Group and of the Company as at March 31, 2026 is set out in the consolidated balance sheet on pages 175 and 176 of this annual report and the balance sheet of the Company in note 36(a) to the financial statements respectively.

The cash flows of the Group for the year are set out in the consolidated cash flow statement on pages 177 and 178 of this annual report.

An interim dividend of HK8.5 cents (2025: HK8.5 cents) per ordinary share of the Company ("Share"), amounting to a total of approximately US\$135.4 million (2025: approximately US\$135.5 million), was paid to shareholders during the year.

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 of the Company 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.

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.

## **Five-year financial summary**

A summary of the results for the year and of the assets and liabilities of the Group as at March 31, 2026 and for the last four financial years are set out on page 267 of this annual report.

## **Distributable reserves**

As at March 31, 2026, the distributable reserves of the Company amounted to US\$1,991,527,000 (2025: US\$1,747,166,000).

## **Bank borrowings**

Particulars of bank borrowings as at March 31, 2026 are set out in note 24 to the financial statements.

## **Donations**

Charitable and other donations made by the Group during the year amounted to US\$12,819,000 (2025: US\$11,942,000).

## **Share capital**

Details of movement of share capital of the Company during the year are set out in note 28 to the financial statements.

## **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 Stock Exchange of Hong Kong Limited (the “Stock Exchange”), to professional investors. The market price of the Shares on August 18, 2022, being the closing price of the Shares on the date on which the terms of the 2029 Convertible Bonds were determined, was HK\$6.99 per Share. 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 (the “2029 Conversion Shares”), representing (i) approximately 4.92% of the issued Shares as at March 31, 2026; and (ii) approximately 4.69% of the issued Shares, as enlarged by the issuance of the 2029 Conversion Shares (assuming there will be no other changes in the total number of Shares in issue). As at March 31, 2026, the total outstanding principal amount of the 2029 Convertible Bonds was US\$675,000,000.

Please refer to note 24 to the financial statements and 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 (“Alat”), a wholly-owned subsidiary of Alat Technologies Company (the “2028 Convertible Bonds”). The market price of the Shares on May 27, 2024, being the closing price of the Shares on the trading day immediately prior to the date of the bond subscription agreement, was HK\$12.04 per Share. The issuance of the 2028 Convertible Bonds is part of the strategic collaboration, where the Company can facilitate refinancing activities and generate stable interest savings annually, while also greatly enhancing the Company’s financial and operational flexibility and speed to market. The gross proceeds from the issuance were US\$2,000,000,000, which have been and will be used for debt refinancing and general working capital usage. US\$965 million was utilized as at March 31, 2025 and the remaining US\$1,035 million was fully utilized as at September 30, 2025, both in accordance with the previously disclosed intentions. The 2028 Convertible Bonds, assuming full conversion at the adjusted conversion price of HK\$9.70 per Share, are convertible into 1,610,618,556 Shares (the “2028 Conversion Shares”), representing (i) approximately 12.98% of the issued Shares as at March 31, 2026; and (ii) approximately 11.49% of the issued Shares, as enlarged by the issuance of the 2028 Conversion Shares (assuming there will be no other changes in the total number of Shares in issue). As at March 31, 2026, the total outstanding principal amount of the 2028 Convertible Bonds was US\$2,000,000,000. Pursuant to the terms and conditions of the 2028 Convertible Bonds, the 2028 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 note 24 to the financial statements and 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 2028 Convertible Bonds and the reasons and benefits for the issuance.

There had not been any conversion of the 2029 Convertible Bonds and the 2028 Convertible Bonds, and no redemption right had been exercised by the Company in respect of the 2029 Convertible Bonds and the 2028 Convertible Bonds for the financial year ended March 31, 2026.



# Directors' report

## Convertible bonds (continued)

Assuming the 2029 Convertible Bonds and the 2028 Convertible Bonds were fully converted on March 31, 2026, the shareholding of the Company immediately before and after the full conversion of the 2029 Convertible Bonds and the 2028 Convertible Bonds are set out below for illustration purposes:

| Shareholders                               | Shareholding immediately before conversion of any of the 2029 Convertible Bonds and the 2028 Convertible Bonds |                                          | Upon full conversion of the 2029 Convertible Bonds at the adjusted conversion price |                                          | Upon full conversion of the 2028 Convertible Bonds at the adjusted conversion price |                                          |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------|
|                                            | Number of Shares                                                                                               | Approximate % of the total issued Shares | Number of Shares                                                                    | Approximate % of the total issued Shares | Number of Shares                                                                    | Approximate % of the total issued Shares |
| Legend Holdings Corporation <sup>(1)</sup> | 2,867,636,724                                                                                                  | 23.12%                                   | 2,867,636,724                                                                       | 22.03%                                   | 2,867,636,724                                                                       | 20.47%                                   |
| Legion Elite Limited <sup>(2)</sup>        | 480,000,000                                                                                                    | 3.87%                                    | 480,000,000                                                                         | 3.69%                                    | 480,000,000                                                                         | 3.43%                                    |
| Kind Jasper Limited <sup>(3)</sup>         | 548,263,805                                                                                                    | 4.42%                                    | 548,263,805                                                                         | 4.22%                                    | 548,263,805                                                                         | 3.91%                                    |
| Honorific Promise Limited <sup>(4)</sup>   | 79,358,000                                                                                                     | 0.64%                                    | 79,358,000                                                                          | 0.61%                                    | 79,358,000                                                                          | 0.57%                                    |
| Directors of the Company <sup>(5)</sup>    | 858,531,517                                                                                                    | 6.92%                                    | 858,531,517                                                                         | 6.60%                                    | 858,531,517                                                                         | 6.13%                                    |
| Holders of the 2029 Convertible Bonds      | –                                                                                                              | –                                        | 610,263,840                                                                         | 4.69%                                    | –                                                                                   | –                                        |
| Alat                                       | –                                                                                                              | –                                        | –                                                                                   | –                                        | 1,610,618,556                                                                       | 11.49%                                   |
| Other public shareholders                  | 7,570,869,256                                                                                                  | 61.03%                                   | 7,570,869,256                                                                       | 58.16%                                   | 7,570,869,256                                                                       | 54.00%                                   |
| <b>Total</b>                               | <b>12,404,659,302</b>                                                                                          | <b>100.00%</b>                           | <b>13,014,923,142</b>                                                               | <b>100.00%</b>                           | <b>14,015,277,858</b>                                                               | <b>100.00%</b>                           |

Notes:

- (1) Legend Holdings Corporation ("Legend Holdings"), a joint-stock company incorporated with limited liability in the People's Republic of China and the H shares of which are listed on the Stock Exchange (stock code: 03396).
- (2) Legion Elite Limited ("Legion Elite"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of Right Lane Limited ("Right Lane"). Right Lane is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of Legend Holdings.
- (3) Kind Jasper Limited ("Kind Jasper"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of Right Lane.
- (4) Honorific Promise Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of Right Lane.
- (5) Include the corporate interest of directors but without taking into account of the interests in the underlying Shares.

Based on the cash and cash equivalents as at March 31, 2026 and the cash flow from operating activities of the Company, the Company has the ability to meet its redemption obligation under the 2029 Convertible Bonds and the 2028 Convertible Bonds.

The analysis of the Company's share price at which it would be equally financially advantageous for the relevant bondholders to convert the 2029 Convertible Bonds and the 2028 Convertible Bonds based on their implied rate of return at a range of dates in the future are as follows:

### 2029 Convertible Bonds

| Conversion date    | Company's share price HK\$ | Implied rate of return of bondholders |
|--------------------|----------------------------|---------------------------------------|
| September 30, 2026 | 8.49                       | 8%                                    |
| March 31, 2027     | 8.56                       | 7%                                    |

## **Convertible bonds** *(continued)*

### **2028 Convertible Bonds**

Subject to the terms and conditions of the 2028 Convertible Bonds, it would be equally financially advantageous for the bondholder of 2028 Convertible Bonds to convert or redeem the convertible securities thereunder based on the implied internal rate of return thereof, when the Company's share price approximates to the conversion price in the future.

## **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 ("Sureinvest"), 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. The market price of the Shares on May 27, 2024, being the closing price of the Shares on the trading day immediately prior to May 28, 2024 (being the date on which the Board approved the indicative principal terms of the Warrants), was HK\$12.04 per Share. The issuance of the Warrants is part of the strategic collaboration, where it supports the strategic initiatives of the Company. The gross proceeds from the issuance were HK\$1,645 million (approximately US\$212 million), which have been and will be used for business expansion in the Middle East and Africa region. US\$150 million was utilized as at March 31, 2026 in accordance with the previously disclosed intention. The remaining proceeds of approximately US\$62 million are expected to be utilized by 2026 for business expansion in the Middle East and Africa region. The full exercise of the Warrants at the adjusted exercise price of HK\$11.92 per Share is expected to provide the Company with up to an additional capital of approximately US\$1.8 billion to further strengthen its equity base. The Company aims to use 40% of such proceeds for further expansion of the Company's operation (including future potential acquisition opportunities), 50% of such proceeds for investment in research and development and artificial intelligence and 10% of such proceeds for general working capital purposes to meet daily operational business needs, such as supply chain investments.

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 (the "Warrant Shares"), representing (i) approximately 9.57% of the issued Shares as at March 31, 2026; and (ii) approximately 8.74% of the issued Shares, as enlarged by the issuance of the Warrant Shares (assuming there will be no other changes in the share capital of the Company).

Please refer to note 25 to the financial statements and the announcements of the Company dated May 29, 2024, July 15, 2024 and January 8, 2025 and the Company's circular dated August 19, 2024 for further details about the Warrants and the reasons and benefits for the issuance.

## **Debentures**

Save as disclosed, there had not been any issuance, purchase, redemption or cancellation of debentures by the Company during the year ended March 31, 2026.

## **Equity-linked agreements**

No equity-linked agreements were entered into during the year, save for the long-term incentive program described in this report.

## **Subsidiaries, associates and joint ventures**

Particulars of the Company's principal subsidiaries, associates and joint ventures as at March 31, 2026 are set out in notes 37 and 15 to the financial statements respectively.

## **Management contracts**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

# Directors' report

## Major customers and suppliers

During the year, the Group sold less than 27% of its goods and services to its five largest customers. The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

|                                 |     |
|---------------------------------|-----|
| The largest supplier            | 10% |
| Five largest suppliers combined | 39% |

None of the directors of the Company, their close associates or any shareholder (which to the knowledge of the directors own more than 5% of the number of issued Shares) had an interest in the major suppliers noted above.

## Purchase, sale or redemption of the company's listed securities

Save as disclosed above and 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 "LTI Program" and "Employee Share Purchase Plan" in the Compensation committee report on pages 129 and 132 respectively of this annual report.

## Directors

The directors during the year and up to the date of this report are:

### Chairman and executive director

Mr. Yang Yuanqing

### Non-executive directors

Mr. Zhu Linan

Mr. Zhao John Huan

Mr. Wong Wai Ming

Ms. Laura Green Quatela

Mr. Amit Midha (appointed with effect from August 13, 2025 and resigned with effect from April 16, 2026)

### Independent non-executive directors

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

Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted)

In accordance with article 107 of the Company's articles of association, Mr. Zhao John Huan, Mr. John Lawson Thornton, Mr. Gordon Robert Halyburton Orr and Ms. Cher Wang Hsiueh Hong will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

The Company has received from each of the independent non-executive directors an annual confirmation of their independence having regard to the criteria under rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The nomination and governance committee of the Company has duly reviewed the independence of each of these directors. The Company has determined and confirmed that all independent non-executive directors satisfied the independence requirement set out in rule 3.13 of the Listing Rules and remain independent.

The list of directors who have served on the boards of directors of the subsidiaries of the Company during the year ended March 31, 2026 or during the period from April 1, 2026 to the date of this report is available on the Group's website ([https://investor.lenovo.com/en/publications/list\\_directors.php](https://investor.lenovo.com/en/publications/list_directors.php)).

## Biography of directors and senior management

### Honorary Chairman

**Mr. Liu Chuanzhi**, 82, has been the Honorary Chairman and Senior Advisor of the Company since November 3, 2011. Mr. Liu is the founder of the Group and held the positions of executive director, non-executive director and chairman of the Board at different times from 1993 until his resignation from the Board on November 3, 2011. As our Honorary Chairman, Mr. Liu is not a director or an officer of the Company or of any subsidiary of the Company, and does not have any management role in the Company or any of its subsidiaries. He graduated from the Radar Navigation Department of People's Liberation Army Institute of Telecommunication Engineering (中國人民解放軍軍事電信工程學院雷達導航系) (now known as Xidian University) in China in 1966 and has substantial experiences in corporate management.

### Biography of directors

#### Chairman and executive director

**Mr. Yang Yuanqing**, 61, is the Chairman of the Board, Chief Executive Officer and an executive director of the Company. He is also a director and a shareholder of Sureinvest which holds interests in the issued Shares of the Company. Mr. Yang assumed the duties of Chief Executive Officer of the Company on February 5, 2009. Prior to that, he was the chairman of the Board from April 30, 2005. Before taking up the office as chairman, Mr. Yang was the chief executive officer and has been an executive director of the Company since December 16, 1997.

Mr. Yang has more than 30 years of experience in the field of ICT industry. Under his leadership, Lenovo has become not only a leading global PC company, but also built diversified growth engines including servers, storage, smartphones, as well as digital and intelligent solutions and services. Mr. Yang holds a Master's degree from the Department of Computer Science at the University of Science and Technology of China, and a Bachelor's degree in Computer Science and Engineering from Shanghai Jiao Tong University. Mr. Yang is currently an independent director of Baidu, Inc. (NASDAQ and HKSE listed) and was an independent director of Taikang Insurance Group Inc.

#### Non-executive directors

**Mr. Zhu Linan**, 63, has been a non-executive director of the Company since April 30, 2005. Mr. Zhu graduated with a master's degree in electronic engineering from Shanghai Jiao Tong University and has more than 20 years of management experience. He was previously a senior vice president of the Group. Mr. Zhu has been re-designated as a non-executive director of Legend Holdings (HKSE listed), a company holding substantial interests in the issued Shares of the Company, with effect from January 1, 2020 and prior to that, he was executive director, president and member of the executive committee of Legend Holdings.

**Mr. Zhao John Huan**, 63, has been a non-executive director of the Company since November 3, 2011. Mr. Zhao holds a master's degree in business administration from the Kellogg School of Management at Northwestern University, dual master's degrees in electric engineering and physics from Northern Illinois University and a bachelor's degree in physics from Nanjing University. He has been re-designated as a non-executive director of Legend Holdings (HKSE listed), a company holding substantial interests in the issued Shares of the Company, with effect from January 1, 2020 and prior to that, he was an executive director, executive vice president and member of executive committee of Legend Holdings. He is also the chairman of Hony Capital Limited.

In addition, Mr. Zhao currently holds the following positions: the chairman of the board and executive director of Best Food Holding Company Limited and Goldstream Investment Limited 金涌投資有限公司 (formerly known as "International Elite Ltd.") and the chairman of the board and non-executive director of Hony Media Group (formerly known as "Huayi Tencent Entertainment Company Limited") (all HKSE listed).

Mr. Zhao was previously a non-executive director of Zoomlion Heavy Industry Science and Technology Co., Ltd. 中聯重科股份有限公司 (HKSE and Shenzhen Stock Exchange listed) and China Glass Holdings Limited (HKSE listed).

# Directors' report

## Biography of directors and senior management *(continued)*

### Biography of directors *(continued)*

#### Non-executive directors *(continued)*

**Mr. Wong Wai Ming**, 68, has been a non-executive director of the Company since April 1, 2025. He was an Executive Vice President and the chief financial officer of the Group and retired from the roles with effect from March 31, 2025, after serving the Group as chief financial officer for over 17 years. He was also a member of certain internal committees of the Group and a director of certain subsidiaries of the Company. Prior to his appointment as the chief financial officer of the Group, Mr. Wong was an independent non-executive director of the Company from March 30, 1999 to May 23, 2007. Mr. Wong was the deputy chairman of the supervisory board of Lenovo Computer AG (a subsidiary of the Company, formerly listed on Frankfurt Stock Exchange and formerly known as "Medion AG") and an independent non-executive director of China Unicom (Hong Kong) Limited (HKSE listed). Mr. Wong is currently a director of Sureinvest which holds interest in the issued Shares of the Company. Prior to joining the Group, he was an investment banker for more than 15 years. Mr. Wong obtained a bachelor's degree in management sciences from the Victoria University of Manchester in the United Kingdom. He is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

**Ms. Laura Green Quatela**, 68, has been a non-executive director of the Company since April 1, 2025. She was a Senior Vice President and Chief Legal Officer (subsequently re-designated as Chief Legal and Corporate Responsibility Officer in January 2023) of the Group since October 2016 and has retired from the roles with effect from March 31, 2025. Ms. Quatela was responsible for the Group's legal, intellectual property ("IP"), government relations and ESG (environmental, social and governance) matters globally. She was a member of certain internal committees of the Group and a director of subsidiary(ies) of the Company.

Before joining the Group, Ms. Quatela had a 15-year career with Eastman Kodak Company ("Kodak") holding a broad range of leadership positions including Chief Intellectual Property Officer, General Counsel, Senior Vice President, Co-Chief Operating Officer and President of the company. She had responsibility for licensing Kodak's technology, patents and trademarks and leading Kodak's consumer film, photographic paper, retail photo kiosk, event imaging and OLED businesses. Prior to joining Kodak, Ms. Quatela worked for Clover Capital Management, Inc., SASIB Railway GRS, and Bausch & Lomb. In private law practice, she was a defense litigator specializing in mass tort cases. Ms. Quatela is a graduate of Denison University, B.A., International Politics and Case Western Reserve University School of Law, J.D., where she was inducted into the Society of Benchers. The Financial Times named her among the Top 20 GCs in the World in June 2021. In November 2021, she was inducted into the IP Hall of Fame as a joint winner of IAM's Inaugural Q. Todd Dickinson Award. She is on the Board of Trustees/Governors of Case Western Reserve University and Genesee Valley Club. Ms. Quatela is conversant in Mandarin.

#### Independent non-executive directors

**Mr. John Lawson Thornton**, 72, was appointed as an independent non-executive director of the Company on August 18, 2023 and was appointed as the lead independent director of the Company on February 21, 2025. Mr. Thornton is currently the chairman of Barrick Mining Corporation (Toronto Stock Exchange and New York Stock Exchange ("NYSE") listed). He is also the lead independent director of Ford Motor Company (NYSE listed) and a non-executive director of Paramount Skydance Corporation (Nasdaq Stock Market listed).

Mr. Thornton is chairman of RedBird Capital Partners, a private investment firm, and non-executive chairman of Heron View Investments, a global asset manager. Mr. Thornton is also the lead director of Avathon, Inc., an industrial artificial intelligence company.

Mr. Thornton is a professor and director of Tsinghua University's Global Leadership Program, and an advisory board member of Tsinghua's School of Economics and Management and its School of Public Policy and Management. Mr. Thornton is co-chair of the board of trustees of the Asia Society, chairman emeritus of the Brookings Institution in Washington, D.C., and is also on the advisory boards or board of trustees of the China Investment Corporation (CIC), China Securities Regulatory Commission, King Abdullah University of Science and Technology, McKinsey Advisory Council, Schwarzman Scholars, the African Leadership Academy and M. Klein & Company. Mr. Thornton is a member of the Council on Foreign Relations.

Mr. Thornton joined Goldman Sachs in 1980 and retired as president and director of The Goldman Sachs Group, Inc. in 2003. He also previously served as chairman of Goldman Sachs Asia and as co-chief executive of Goldman Sachs International, overseeing the firm's business in Europe, the Middle East, and Africa. Mr. Thornton was a director of AltC Acquisition Corp. (currently known as "Oklo Inc.") (NYSE listed).

Mr. Thornton holds a Bachelor of Arts in history from Harvard College, a Bachelor of Arts and Master of Arts in jurisprudence from Oxford University and a Master's degree in public and private management from the Yale School of Management.



## Biography of directors and senior management *(continued)*

### Biography of directors *(continued)*

#### Independent non-executive directors *(continued)*

**Mr. Gordon Robert Halyburton Orr**, 63, was re-designated as an independent non-executive director of the Company on September 1, 2016. Prior to that, he was a non-executive director of the Company since September 2015. He holds a Master of Arts degree in Engineering Science from Oxford University, United Kingdom and a Master of Business Administration degree from Harvard University.

Mr. Orr joined McKinsey & Company ("McKinsey") in 1986 and held a broad range of senior positions in McKinsey until his retirement in August 2015. During the years with McKinsey, he was Greater China Managing Partner and subsequently Senior Partner (1999-2015), Managing Partner of McKinsey Asia (2008-2014) and Member of McKinsey's global Operating Committee (2008-2015). He also served on McKinsey's Global Shareholder's Board (2003-2015) and chaired the Governance and Risk Committee.

In the past 20 years, Mr. Orr has served a broad range of clients in Asia, with primary focus on China and technology related sectors across Asia. Mr. Orr is currently an independent non-executive director of Hong Kong Exchanges and Clearing Limited ("HKEx") and Meituan (formerly known as "Meituan Dianping") (both HKSE listed). He also serves as an independent board member of EQT AB (listed on the Nasdaq Stockholm), a non-executive director (re-designated from independent non-executive director on May 14, 2026) of Swire Pacific Limited (HKSE listed) and a non-executive director of Fidelity China Special Situations PLC (London Stock Exchange ("LSE") listed). He is also the chairman of the audit committee and a member of the corporate governance committee of Meituan, a member of Audit Committee and Nomination and Governance Committee of HKEx and a vice chairman of the China-Britain Business Council. He was previously an independent non-executive director of Sondrel (Holdings) plc (LSE listed).

**Mr. Woo Chin Wan Raymond**, 71, has been an independent non-executive director of the Company since February 22, 2019. Mr. Woo is also an independent non-executive director, chair and member of Connected Transactions Control Committee, member of the Audit Committee, and member of the Nomination and Remuneration Committee of Bank of China Limited (HKSE listed). Mr. Woo is a retired partner of Ernst & Young ("EY"). Before his retirement in June 2015, he had held various senior positions with EY in the Greater China area. He was a director and the general manager of EY Hua Ming CPA, a member of EY's Greater China Leadership Team, and the managing partner of EY's Greater China Operations. He has more than 30 years of professional experience, specializing in audit, corporate restructuring, IPO, risk management, and mergers and acquisitions. Mr. Woo is a Hong Kong Certified Public Accountant. He obtained his master's degree in Business Administration from York University (Canada) in 1982. Mr. Woo was previously an independent non-executive director of Bank of Communications Co., Ltd. (HKSE listed).

**Ms. Yang Lan**, 58, has been an independent non-executive director of the Company since May 15, 2020. Ms. Yang is currently a broadcast journalist and media entrepreneur with more than 30 years' experience in the industry. She is the chairperson of Sun Media Group and Sun Future Art Education Foundation. Sun Media Group is a leading media company with synthetic communication and marketing capabilities. Its business spans across media, education, art, tourism, exhibitions, and more. The group is highly regarded in the industry for its high-quality content, women's empowerment and lifestyle communities, as well as branding services to business and cities. It has played a significant role in facilitating cultural exchanges between China and the world and the promotion of sustainable development. Sun Future Art Education Foundation is a non-profit organization aiming to promote the development of children's aesthetic education. Ms. Yang obtained her bachelor's degree in English Language & Literature from Beijing Foreign Studies University, China in 1990 and her master's degree in International Affairs from Columbia University, the United States of America in 1996.

Prior to that, she was a creator, executive producer and anchor of talk show series "Yang Lan Studio" (now known as "Yang Lan One on One") which has become China's longest-running in-depth talk show with more than 1,200 interviews with movers and shapers around the world. Ms. Yang has in-depth researches, delivered documentary series and published a book on Artificial Intelligence. She is currently a global ambassador and international board member for the Special Olympics Movement. She served as the presenter for Beijing's bid for both the 2008 Olympic Games and 2022 Olympic Winter Games and the Goodwill Ambassador for 2010 Shanghai Expo. She was the Vice-Chairman of China Charity Alliance from 2013 to 2024. Ms. Yang was ranked among The World's 100 Most Powerful Women by Forbes.

# Directors' report

## Biography of directors and senior management *(continued)*

### Biography of directors *(continued)*

#### Independent non-executive directors *(continued)*

**Ms. Cher Wang Hsiueh Hong**, 67, has been an independent non-executive director of the Company since June 20, 2022. Ms. Wang is the co-founder and chairwoman of HTC Corporation 宏達國際電子股份有限公司 (Taiwan Stock Exchange listed) and has established a number of successful Information & Communication Technology related businesses, with over 40 years' experience in the industry. Ms. Wang obtained her bachelor's degree in Political Economy of Industrial Societies at the University of California, Berkeley in 1982.

Ms. Wang co-founded HTC Corporation in 1997, which pioneered the smartphone market and was first to market with key technologies such as the touch interface, Android integration and wireless technologies, and has expanded its vision to include cutting-edge experiences like virtual reality with the HTC VIVE systems, advanced 5G platforms and the VIVERSE immersive internet. Ms. Wang also founded VIA Technologies, Inc. 威盛電子股份有限公司 in 1992 (Taiwan Stock Exchange listed), a leading developer of computing platforms connecting businesses to advanced Artificial Intelligence (AI), Internet of Things (IoT), and computer vision technology for transportation, industrial, smart city, and data center applications. She was chairwoman and is currently a director of VIA Technologies, Inc.. Prior to these, Ms. Wang was the general manager of the PC division at First International Computer, Inc., 大眾電腦股份有限公司 and helped drive the business unit into the lucrative motherboard market.

Ms. Wang is currently a director and chairwoman of Xander International Corporation 建達國際股份有限公司 and a director of Formosa Plastics Corporation 台灣塑膠工業股份有限公司, VIA Labs, Inc. 威鋒電子股份有限公司 and VIA Technologies, Inc. 威盛電子股份有限公司 (all Taiwan Stock Exchange listed).

**Professor Xue Lan**, 66, has been an independent non-executive director of the Company since June 20, 2022. Prof. Xue is currently a professor at Tsinghua University, with teaching and research interests in Public Policy and Management, Science and Technology Policy, Crisis Management and Global Governance. He is the Dean of Schwarzman College and the Dean of Institute for AI International Governance (I-AIIG) of Tsinghua University. He also serves as a director of China Institute for Science and Technology Policy, and a co-director of Global Institute for Sustainable Development Goals at Tsinghua University. He is a co-convenor of the Discipline Evaluation Group (Public Administration) of the Academic Degrees Committee of the State Council. He is also an Adjunct Professor of Engineering and Public Policy at Carnegie Mellon University, a non-resident Senior Fellow of the Brookings Institution, a board member of the Sustainable Development Solutions Network (SDSN) Association, and a member of the United Nations Committee of Experts on Public Administration (CEPA).

Prof. Xue is currently an independent non-executive director of SenseTime Group Inc. (HKSE listed) and Neusoft Corporation 東軟集團股份有限公司 (Shanghai Stock Exchange listed). He is serving as the vice chairman of the board of Chinese Association of Science and Science & Technology Policy (the CASSSP) 中國科學學與科技政策研究會, the chair of the National Expert Committee on New Generation of Artificial Intelligence Governance 國家新一代人工智能治理專業委員會 and a member of the Standing Committee of the China Association for Science and Technology.

Prof. Xue obtained his bachelor's degree in optics and fine mechanics from the Changchun Institute of Optics and Fine Mechanics 長春光學精密機械學院 (currently known as Changchun University of Science and Technology 長春理工大學) in January 1982. He obtained a Master of Science degree from the State University of New York at Stony Brook in December 1987. He further received a master of Science degree and a Ph.D. degree in engineering and public policy from Carnegie Mellon University in May 1989 and December 1991, respectively.

**Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted)**, 64, was appointed as an independent non-executive director of the Company on February 23, 2024. Mr. Roersted is currently an independent director and a member of the Nomination Committee, the Remuneration Committee and the Energy Transition Committee (formerly known as "Environmental, Social and Governance Committee") of A.P. Møller — Mærsk A/S (Nasdaq Stock Exchange listed), and a member of the Supervisory Board and the Innovation and Finance Committee of Siemens AG (Frankfurt Stock Exchange listed).

Mr. Roersted was an executive board member and the Chief Executive Officer of adidas AG (Frankfurt Stock Exchange listed), the Chief Executive Officer of Henkel AG & Co. KGaA (Frankfurt Stock Exchange listed) and a board member of Nestlé S.A. (SIX Swiss Exchange listed) and a senior advisor to the private equity team of KKR & Co. Inc. (NYSE listed).

Mr. Roersted holds a Diploma in International Business Studies from the Niels Brock Copenhagen Business College, Denmark and completed a series of executive programs in Harvard Business School, the United States of America.

## Biography of directors and senior management *(continued)*

### Biography of senior management

**Mr. David C. Carroll**, 58, joined the Group since the acquisition of Motorola in 2014 and is currently Senior Vice President of the Group and the Chief Legal and Corporate Responsibility Officer (“CLO”) responsible for the Group’s legal, IP, government relations and ESG (environmental, social and governance) matters globally. Before promoting as the CLO on April 1, 2025, Mr. Carroll has served as both General Counsel for Motorola Business Group and more recently as General Counsel for the Intelligent Devices Group and Group Operations, as well as supporting Trademarks & Marketing, Data Privacy and Security, and has also run the Global Brand Licensing business. Mr. Carroll is a three-time Lenovo Excellence Award winner, earning both an individual Leadership Excellence Award and two Team Excellence Awards for his outstanding contributions to Lenovo. Before joining Lenovo, Mr. Carroll practiced in-house at Sears and the Amway Corporation, where he specialized in marketing and advertising law. Mr. Carroll holds a bachelor’s degree in Philosophy from the University of Illinois and earned his law degree from Northwestern University School of Law in Chicago. Mr. Carroll is a well-known, proven, and respected leader at the Group and brings over 30 years of valuable institutional knowledge together with a focus on creativity and collaboration.

**Mr. Cheng Shao-min Winston**, 53, is the Senior Vice President and Chief Financial Officer of the Group. He oversees the Group’s global financial operations, as well as corporate development and M&A, corporate finance, and investor relations. Mr. Cheng is a member of the Group investment committee. Before joining the Group, Mr. Cheng was the Global Co-Head of Technology, Media and Telecom, Investment Banking at The Hongkong and Shanghai Banking Corporation Limited (“HSBC”). Prior to joining HSBC, he was President International and a member of the group investment committee at JD.com.

With over 20 years of experience in investment banking, Mr. Cheng has held senior leadership roles, including Managing Director and Head of Asia TMT Investment Banking at Bank of America Merrill Lynch, and Managing Director and Head of Asia Technology Investment Banking and the Head of Asia Consumer Retail Investment Banking at Goldman Sachs. He began his career with Salomon Brothers and spent over a decade at Citigroup. He was based in New York, Palo Alto and Hong Kong. In addition to his executive roles, Mr. Cheng has extensive global leadership experience in the technology sector having served as board director of Arizon RFID, GoTo (formerly GoJek), Tiki.com and TCL Electronics (formerly TCL Multimedia), as well as an industry investor and advisor. Mr. Cheng holds a double Bachelor of Arts in Economics and Chinese Language from the University of California, Berkeley.

**Ms. Gao Lan**, 60, joined the Group in 2009 and is currently the Senior Vice President of Human Resources of the Group, responsible for human resources, organizational development, global talent, compensation and benefits, as well as nurturing the Company’s culture. Prior to this, Ms. Gao held several Vice President roles leading the HR functions of many teams, including Emerging Markets Group, APLA & China Geography, People & Organization Capability Development and HR Strategy & Operations. Before joining the Group, Ms. Gao held senior positions in HR in various multinational companies. Ms. Gao holds a bachelor’s degree of science from Nankai University, studied M.Phil. degree from Cambridge University in the UK, completed human resource management course at the Western Management Institute of Beijing and the Leadership Excellence for Business HR Program at Stanford University in the US.

**Mr. Ashley Gorakhpurwalla**, 57, joined the Group in 2024 and is currently Executive Vice President of the Group, President of the Infrastructure Solutions Group (ISG). He oversees Lenovo’s global business, focused on driving intelligent transformation with AI-ready infrastructure that goes beyond the data center from edge to cloud.

Before joining the Group, he was Executive Vice President and General Manager, HDD at Western Digital Corporation. Prior to joining Western Digital Corporation, Mr. Gorakhpurwalla served as President and General Manager of Servers and Infrastructure Systems at Dell Technologies. With over 30 years of technology industry experience, Mr. Gorakhpurwalla is widely known in the enterprise data center business as a strong leader dedicated to delivering exceptional business results. Mr. Gorakhpurwalla holds a Bachelor of Science in electrical engineering from Texas A&M University — Kingsville.

# Directors' report

## Biography of directors and senior management *(continued)*

### Biography of senior management *(continued)*

**Dr. Tolga Kurtoglu**, 50, is currently Chief Technology Officer of Lenovo, Vice-Chair of the Lenovo Technology Committee, and a member of the Lenovo Executive Committee. He leads Lenovo's global technology strategy, R&D planning, and governance, and oversees Lenovo Research, which drives innovation across AI, computing for smart devices and infrastructure, wireless communications, cyber security and robotics. Under his leadership, Lenovo is transforming into an AI-first enterprise through Agentic AI platforms, employing mission driven innovation models.

Dr. Kurtoglu founded and leads the Lenovo AI Technology Center (LATC), a global platform group advancing AI-on-edge capabilities across PC, mobile, edge, and cloud. He oversees R&D expansion in Yokohama, Tel Aviv, Riyadh, London and Edinburgh and builds strategic partnerships with Big Tech, startups, and leading universities worldwide to accelerate open innovation.

Dr. Kurtoglu brings over two decades of experience in advanced technology leadership, including early roles at NASA Ames Research Center, where he earned the NASA Exceptional Service Medal, and as a group lead at Dell. He holds 18 U.S. patents and has authored over 100 publications in automation, machine intelligence, fault-tolerant systems, and digital manufacturing. He later served as CTO of HP Inc. and CEO of PARC (Xerox PARC), where he pioneered AI commercialization and deep-tech venture creation. He also co-founded Leap AI, launching generative AI ventures in digital health and biotechnology.

Dr. Kurtoglu serves on the boards of Sabanci University, Encube, Pearl Street, and was formerly on the board of Omidyar Network. Additionally, he is a member of the CNBC Technology Executive Council and Innovating 50, contributing to global conversations on enterprise transformation and responsible AI governance. His insights have been featured in The Wall Street Journal, Harvard Business Review, The Economist Innovation Forum, and the World Economic Forum.

Dr. Kurtoglu holds a Ph.D. in Mechanical Engineering from The University of Texas at Austin, an M.S. from Carnegie Mellon University, and a B.S. from Middle East Technical University.

**Mr. Liu Jun**, 57, joined the Group in 1993. He is currently the Executive Vice President and President of Lenovo China, responsible for leading the China business platform and sales across all three Lenovo business groups through an integrated go-to-market strategy. Prior to this position, he held various leadership roles at Lenovo, including Senior Vice President of the Group, President of the Mobile Business Group, President of the Product Group, President of the Global Consumer Group, President of Global Supply Chain, Chief Operating Officer of Lenovo China, the President of Planning and Operations Systems, President of the Consumer IT Business Group.

Mr. Liu has achieved success in many fields. He has successfully led Lenovo in multiple product innovations (such as the world's first home computer, the world's first Internet computer, and the world's first AI PC with five major features). He has continuously innovated business models (creating the Lenovo consumer business chain retail model, developing the important Lenovo model "Dual-Mode Approach" (transactional and relationship models) which has been operated to this day, and establishing an industry-leading direct-to-customer model). He has constantly pioneered new businesses (leading Lenovo's Global Consumer Group to expand from China to over 100 countries and regions worldwide, successfully completing the Motorola acquisition and leading Lenovo's smartphone business to the top three globally, leading the server business to break into the top three in the Chinese market and being the first to build the service business as a new growth engine, achieving the first market position in China).

Mr. Liu holds a bachelor's degree in Automation and an EMBA both from Tsinghua University. He has also completed senior executive management programs at Harvard University and Stanford University.

**Ms. Qiao Jian**, 58, joined the Group in 1990 and is currently the Senior Vice President, Chief Strategy Officer and Chief Marketing Officer of the Group, overseeing Lenovo's strategy and planning, global brand, marketing and communications. Before that, Ms. Qiao was Co-President of the Mobile Business Group focusing on Lenovo's Mobile business in China. Prior to that, Ms. Qiao was the Senior Vice President of Human Resources. Ms. Qiao held various senior positions in the Group including Senior Vice President of Strategy and Planning and Vice President of Human Resources — both before and after the acquisition of IBM's PC Division. Ms. Qiao has extensive experience in strategy, marketing and branding, and human resources, business management. She holds a bachelor's degree in management science from Fudan University and holds an EMBA from the China Europe International Business School.

## **Biography of directors and senior management** *(continued)*

### **Biography of senior management** *(continued)*

**Mr. Luca Rossi**, 53, joined the Group in 2015 and is currently an Executive Vice President of the Group and the President of the Intelligent Devices Group overseeing the Group's global business in PCs, smartphones, tablets, commercial solutions, and other AI products including AI software/agents and AI-native devices such as wearables and ambient AI. Prior to this role, he served as President of the Europe Middle East Africa (EMEA) and Latin America (LATAM) geographies, leading the PC, smartphone, tablet and server businesses. Before joining Lenovo, Mr. Rossi held numerous global leadership roles in Europe including president of EMEA of Acer, leading the consumer business and the product business of Packard Bell and general manager of Asus Europe. Mr. Rossi started his career as a 19-year-old entrepreneur setting up an Italian systems integrator under the Geo Microsystems brand. Mr. Rossi holds a diploma in accounting and studied in Bocconi University.

**Mr. Che Min (Jammi) Tu**, 54, joined the Group in 2012 and is currently the Senior Vice President and Group Operations Officer of the Group, where he is responsible for driving Lenovo's operational excellence and improving efficiency across the One Lenovo Operation by working across the numerous business groups to identify synergies and to standardize and streamline processes. Prior to this role, he was Chief Operating Officer of Lenovo's Intelligent Devices Group (IDG) — playing a crucial role in leading that organization to record performance — and Chief Financial Officer (CFO) for the Europe Middle East Africa (EMEA) region. Before joining Lenovo, Mr. Tu was the CFO of Acer Inc. (Acer) from 2009 to 2011, where he also held numerous leadership roles, including Treasury Director, CFO of EMEA, and special assistant to the Chief Executive Officer. Mr. Tu holds an MBA from the University of Manchester.

**Mr. Wong Kin Hang**, 52, is the Executive Vice President of the Group and global President of the Group's Solutions & Services Group ("SSG"). Mr. Wong has been instrumental in spearheading the Group's transformation globally from a hardware and infrastructure only company, to a full-fledged solutions and services powerhouse. He has accelerated the Group's strategy in offering high-value offerings such as digital workplace, hybrid cloud, sustainability, and AI solutions.

In 2021, Mr. Wong was appointed to lead the newly formed SSG, a cornerstone of Lenovo's service-led transformation. Building on his success leading Lenovo's Asia Pacific PCs and Smart Devices business and his strategic leadership as Chairman of NEC Lenovo Japan Group and Fujitsu Client Computing Limited, Mr. Wong brought deep operational and global expertise to the role.

Under his leadership, SSG has grown rapidly, and evolved into a business unit that anchors Lenovo's shift from a hardware leader to a full-stack technology solutions provider. Today, he continues to drive this momentum by leading Lenovo's Hybrid AI strategy — advancing full-stack AI capabilities that help organizations overcome adoption barriers and achieve results. An IT industry veteran, Mr. Wong has been with Lenovo for three decades and has played a pivotal role in shaping Lenovo's global corporate strategy through his earlier leadership roles.

In addition, he is actively serving the technology community in Hong Kong, and currently serves as a board member at the Hong Kong Cyberport Management Company, and a board director of the Hong Kong Chinese Enterprises Association. He also serves on advisory committees across multiple universities.

Mr. Wong graduated from The University of Hong Kong with a bachelor of Engineering in computer science and has an Executive MBA jointly awarded by The University of Hong Kong, Columbia University and the London Business School.



# Directors' report

## **Biography of directors and senior management** *(continued)*

### **Biography of senior management** *(continued)*

**Mr. Matthew Zielinski**, 47, joined the Group in 2018 and is currently an Executive Vice President of the Group and President of the International Sales Organization (ISO) of the Group. Mr. Zielinski leads the Group's go-to-market strategy and business execution across North America, Asia Pacific, Latin America, Europe, Middle East, Türkiye, and Africa. Since taking on this global role in 2021, Mr. Zielinski has driven significant revenue and profit growth across all business groups while modernizing Lenovo's sales, marketing, and operations to support the Group's evolution from the world's leading PC provider to a full-stack technology solutions powerhouse.

From intelligent devices and edge computing to advanced infrastructure and industry-specific solutions, Mr. Zielinski is responsible for bringing the full spectrum of Lenovo's AI-powered portfolio to customers across global markets. He also serves on Lenovo's Executive Committee and as a board member of NAF, a Lenovo community partner and national network of education, business, and community leaders working together to ensure high school students are college, career, and future ready.

Prior to leading International Markets, Mr. Zielinski served as the President of the North America Intelligent Devices Group since 2018, where he was responsible for sales, daily operations, growth and profitability for the United States and Canada.

Prior to joining Lenovo in February 2018, Mr. Zielinski was the Corporate Vice President and General Manager, head of worldwide OEM sales at AMD. He was responsible for leading AMD's end-to-end efforts for all strategic OEMs, as well as global responsibility for end-user sales through all consumer and commercial routes to market. Matthew spent more than twelve years at AMD, holding several key global sales roles. Earlier in his career, he also held various sales positions at Infineon Technologies and Sun Microsystems.

Mr. Zielinski holds a BSE in Electrical Engineering from the University of Michigan.

### **Directors' service contracts**

There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any director proposed for re-election at the AGM.

### **Directors' material interests in transactions, arrangements or contracts**

No other transactions, arrangements or contracts that is significant in relation to the Group's business to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company or his or her connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **Directors' indemnities and insurance**

As permitted by the articles of association of the Company, a director or a former director of the Company may be indemnified out of the Company's assets against any liability incurred by the director to a person other than the Company or an associated company of the Company that attaches to such director in his or her capacity as a director of the Company, to the extent permitted by law. Such permitted indemnity provision is in force throughout the year and up to the date of this report.

The Company has also taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

## Directors' and chief executive's interests

As at March 31, 2026, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Listing Rules were as follows:

### (i) Interests in the shares and underlying shares of the Company

| Name of director           | Interests in shares/<br>underlying shares<br>(Note 1) | Capacity and number of shares/<br>underlying shares held |                         |                                                                                                 | Aggregate<br>long position | Approximate<br>percentage of<br>interests<br>(Note 2) |
|----------------------------|-------------------------------------------------------|----------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------|
|                            |                                                       | Personal<br>interests                                    | Corporate<br>interests  | A concert<br>party to an<br>agreement<br>to buy shares<br>described in<br>s.317(1)(a) of<br>SFO |                            |                                                       |
| Mr. Yang Yuanqing          | Ordinary shares                                       | 206,914,710                                              | 557,004,000<br>(Note 3) | -                                                                                               | 763,918,710                |                                                       |
|                            | Share awards                                          | 155,309,363                                              | -                       | -                                                                                               | 155,309,363                |                                                       |
|                            | Warrants                                              | -                                                        | 273,200,000             | -                                                                                               | 273,200,000                |                                                       |
|                            | Interests held as<br>a concert party                  | -                                                        | -                       | 4,736,986,531                                                                                   | 4,736,986,531              |                                                       |
|                            |                                                       |                                                          |                         |                                                                                                 | 5,929,414,604              | 47.80%                                                |
| Mr. Zhu Linan              | Ordinary shares                                       | 3,888,583                                                | -                       | -                                                                                               | 3,888,583                  |                                                       |
|                            | Share awards                                          | 365,988                                                  | -                       | -                                                                                               | 365,988                    |                                                       |
|                            |                                                       |                                                          |                         |                                                                                                 | 4,254,571                  | 0.03%                                                 |
| Mr. Zhao John<br>Huan      | Ordinary shares                                       | 3,786,325                                                | -                       | -                                                                                               | 3,786,325                  |                                                       |
|                            | Share awards                                          | 365,988                                                  | -                       | -                                                                                               | 365,988                    |                                                       |
|                            |                                                       |                                                          |                         |                                                                                                 | 4,152,313                  | 0.03%                                                 |
| Mr. Wong Wai<br>Ming       | Ordinary shares                                       | 58,730,945                                               | -                       | -                                                                                               | 58,730,945                 |                                                       |
|                            | Share awards                                          | 30,829,383                                               | -                       | -                                                                                               | 30,829,383                 |                                                       |
|                            |                                                       |                                                          |                         |                                                                                                 | 89,560,328                 | 0.72%                                                 |
| Ms. Laura Green<br>Quatela | Ordinary shares                                       | 20,523,367                                               | -                       | -                                                                                               | 20,523,367                 |                                                       |
|                            | Share awards                                          | 29,365,252                                               | -                       | -                                                                                               | 29,365,252                 |                                                       |
|                            |                                                       |                                                          |                         |                                                                                                 | 49,888,619                 | 0.40%                                                 |

# Directors' report

## Directors' and chief executive's interests (continued)

### (i) Interests in the shares and underlying shares of the Company (continued)

| Name of director                                                   | Interests in shares/<br>underlying shares<br>(Note 1) | Capacity and number of shares/<br>underlying shares held |                        |                                                                                                 | Aggregate<br>long position | Approximate<br>percentage of<br>interests<br>(Note 2) |
|--------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------------|
|                                                                    |                                                       | Personal<br>interests                                    | Corporate<br>interests | A concert<br>party to an<br>agreement<br>to buy shares<br>described in<br>s.317(1)(a) of<br>SFO |                            |                                                       |
| Mr. John Lawson<br>Thornton                                        | Ordinary shares                                       | 186,021                                                  | –                      | –                                                                                               | 186,021                    | 0.00%                                                 |
|                                                                    | Share awards                                          | 346,442                                                  | –                      | –                                                                                               | 346,442                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 532,463                    |                                                       |
| Mr. Gordon Robert<br>Halyburton Orr                                | Ordinary shares                                       | 3,634,154                                                | –                      | –                                                                                               | 3,634,154                  | 0.03%                                                 |
|                                                                    | Share awards                                          | 365,988                                                  | –                      | –                                                                                               | 365,988                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 4,000,142                  |                                                       |
| Mr. Woo Chin Wan<br>Raymond                                        | Ordinary shares                                       | 1,478,516                                                | –                      | –                                                                                               | 1,478,516                  | 0.01%                                                 |
|                                                                    | Share awards                                          | 365,988                                                  | –                      | –                                                                                               | 365,988                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 1,844,504                  |                                                       |
| Ms. Yang Lan                                                       | Ordinary shares                                       | 1,242,785                                                | –                      | –                                                                                               | 1,242,785                  | 0.01%                                                 |
|                                                                    | Share awards                                          | 480,359                                                  | –                      | –                                                                                               | 480,359                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 1,723,144                  |                                                       |
| Ms. Cher Wang<br>Hsiueh Hong                                       | Ordinary shares                                       | 537,685                                                  | –                      | –                                                                                               | 537,685                    | 0.01%                                                 |
|                                                                    | Share awards                                          | 365,988                                                  | –                      | –                                                                                               | 365,988                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 903,673                    |                                                       |
| Professor Xue Lan                                                  | Ordinary shares                                       | 522,453                                                  | –                      | –                                                                                               | 522,453                    | 0.01%                                                 |
|                                                                    | Share awards                                          | 365,988                                                  | –                      | –                                                                                               | 365,988                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 888,441                    |                                                       |
| Mr. Kasper Bo<br>Roersted                                          | Ordinary shares                                       | 81,973                                                   | –                      | –                                                                                               | 81,973                     | 0.00%                                                 |
|                                                                    | Share awards                                          | 320,315                                                  | –                      | –                                                                                               | 320,315                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 402,288                    |                                                       |
| Mr. Amit Midha<br>(resigned with<br>effect from<br>April 16, 2026) | Ordinary shares                                       | 0                                                        | –                      | –                                                                                               | 0                          | 0.00%                                                 |
|                                                                    | Share awards                                          | 118,323                                                  | –                      | –                                                                                               | 118,323                    |                                                       |
|                                                                    |                                                       |                                                          |                        |                                                                                                 | 118,323                    |                                                       |

**Directors' and chief executive's interests (continued)**

**(ii) Interests in shares and underlying shares of the associated corporations of the Company**

| <b>Name of director</b> | <b>Name of associated corporations</b>                  | <b>Long position/<br/>short position</b> | <b>Capacity/<br/>nature of<br/>interests</b> | <b>Number and<br/>class of shares/<br/>underlying<br/>shares/registered<br/>capital held</b> | <b>Approximate<br/>percentage<br/>of interests<br/>(Note 5)</b> |
|-------------------------|---------------------------------------------------------|------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Mr. Yang<br>Yuanqing    | SHAREit Technology Holdings Inc.                        | Long position                            | Interest of corporation controlled           | 4,996,633 Series A preferred shares                                                          | 16.06%                                                          |
|                         | 陽光雨露信息技術服務(北京)有限公司                                      | Long position                            | Interest of corporation controlled           | Registered capital of RMB157,500                                                             | 0.32%                                                           |
|                         | 北京平安聯想智慧醫療信息技術有限公司 (formerly known as 北京聯想智慧醫療信息技術有限公司) | Long position                            | Beneficial owner                             | Registered capital of RMB2,400,000                                                           | 1.25%                                                           |
|                         | 北京聯想雲科技有限公司                                             | Long position                            | Beneficial owner                             | Registered capital of RMB1,199,900                                                           | 5.74%                                                           |
|                         | 北京聯想雲計算有限公司                                             | Long position                            | Beneficial owner                             | Registered capital of RMB2,000,100                                                           | 5.74%                                                           |
|                         | 國民認證科技(重慶)有限公司 (formerly known as 國民認證科技(北京)有限公司)       | Long position                            | Beneficial owner                             | Registered capital of RMB1,097,144                                                           | 3.29%                                                           |
|                         | 廣東聯想懂的通信股份有限公司 (formerly known as 廣東聯想懂的通信有限公司)         | Long position                            | Beneficial owner                             | Registered capital of RMB2,584,615                                                           | 2.56%                                                           |
|                         | 新陽光(天津)技術服務有限公司                                         | Long position                            | Beneficial owner                             | Registered capital of RMB157,500                                                             | 0.32%                                                           |
|                         | 聯想教育科技(北京)有限公司                                          | Long position                            | Beneficial owner                             | Registered capital of RMB1,000,000                                                           | 2.00%                                                           |
|                         | 鼎道智聯(北京)科技有限公司                                          | Long position                            | Beneficial owner                             | Registered capital of RMB2,100,000                                                           | 1.05%                                                           |
|                         | 聯晟智達(海南)供應鏈管理有限責任公司                                     | Long position                            | Beneficial owner                             | Registered capital of RMB490,918                                                             | 1.29%                                                           |

# Directors' report

## **Directors' and chief executive's interests** *(continued)*

Notes:

1. Share awards represent underlying shares convertible into ordinary shares. Details of share awards are set out in "LTIP Program" in the Compensation committee report.
2. The approximate percentage of interests is based on the shares/underlying shares comprising the interests held as a percentage of the total number of shares in issue of the Company of the same class immediately after the relevant event and as recorded in the register maintained under section 352 of the SFO.
3. The shares are held by Sureinvest in which Mr. Yang Yuanqing holds more than one-third of the voting power at its general meetings. Therefore, Mr. Yang is taken to have an interest in 557,004,000 shares under the SFO and such interest is also reported under the below section headed "Substantial shareholders' and other persons' interests".
4. The approximate percentage of interests is based on the shares comprising the interests held as a percentage of the total number of shares in issue of the associated corporation of the same class immediately after the relevant event and as recorded in the register maintained under section 352 of the SFO.

Save as disclosed above, as at March 31, 2026, none of the directors or chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## **Directors' rights to acquire shares or debentures**

Under the long-term incentive program of the Company, the Board or the trustee of the program shall select the employees (including but not limited to the directors) of the Group for participation in the program, and determine the number of shares to be awarded.

Details of the movements in the share awards for the year ended March 31, 2026 are set out in "Long-Term Incentive Scheme" in the Compensation committee report and in the note 7 to the financial statements.

Save as disclosed in the sections headed "Directors' and chief executive's interests" of this report, and "Long-Term Incentive Program" of the Compensation committee report, at no time during the year ended March 31, 2026 was the Company or a specified undertaking of the Company a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.



## Substantial shareholders' and other persons' interests

As at March 31, 2026, within the knowledge of the directors, the following corporations (other than the directors and chief executive of the Company as disclosed above) had or deemed or taken to have interests or short positions in the shares and/or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were as recorded in the register required to be kept under section 336 of the SFO:

| Name                                                  | Long position/<br>short position | Beneficial owner | Corporate interests | Capacity and number of shares/<br>underlying shares held |                                                                               | Aggregate long/short position | Approximate percentage of interests<br>(Note 1) |
|-------------------------------------------------------|----------------------------------|------------------|---------------------|----------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------|
|                                                       |                                  |                  |                     |                                                          | A concert party to an agreement to buy shares described in s.317(1)(a) of SFO |                               |                                                 |
| Legend Holdings Corporation<br>(Notes 2, 3, 4 and 5)  | Long position                    | 2,867,636,724    | 1,107,621,805       | 1,861,078,742                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Right Lane Limited (Notes 2, 3, 4 and 5)              | Long position                    | -                | 1,107,621,805       | -                                                        |                                                                               | 1,107,621,805                 | 8.92%                                           |
| Sureinvest Holdings Limited<br>(Notes 6 and 7)        | Long position                    | 830,204,000      | -                   | 5,006,133,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Eastern Score Limited (Note 6)                        | Long position                    | 209,887,334      | -                   | 5,626,449,937                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Wu To Hing (Note 6)                                   | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Wisdom Summit Limited                                 | Long position                    | 177,856,668      | -                   | 5,658,480,603                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Huntkey (Hong Kong) Enterprise Group Limited (Note 6) | Long position                    | 108,600,000      | -                   | 5,727,737,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Asiamax Development Limited                           | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Luo Jiankun                                           | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Compal Electronics, Inc. (Note 6)                     | Long position                    | 35,860,000       | -                   | 5,800,477,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Wistron Corporation (Note 6)                          | Long position                    | 35,860,000       | -                   | 5,800,477,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Lite-On Electronics H.K. Limited<br>(Note 6)          | Long position                    | 35,200,000       | -                   | 5,801,137,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Lite-On Technology Corporation                        | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Inditeck Technology Hong Kong Limited (Note 6)        | Long position                    | 23,906,667       | -                   | 5,812,430,604                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Haiqin Telecom Hong Kong Limited                      | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Huaqin Technology Co., Ltd                            | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Mason Vap Investment Limited<br>(Note 6)              | Long position                    | 27,500,000       | -                   | 5,808,837,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Huajun Wang Ltd.                                      | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Wang Huajun                                           | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Vestion Equity GmbH & Co. KG (Note 6)                 | Long position                    | 7,000,000        | -                   | 5,829,337,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Vestion Verwaltungs und Beteiligungsgesellschaft mbH  | Long position                    | -                | 5,829,625,271       | -                                                        |                                                                               | 5,829,625,271                 | 46.99%                                          |
| Gerhard Brachmann                                     | Long position                    | -                | 5,829,625,271       | -                                                        |                                                                               | 5,829,625,271                 | 46.99%                                          |
| Chicony Electronics Co., Ltd. (Note 6)                | Long position                    | 5,000,000        | -                   | 5,831,337,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Waterwood Acquisition Corporation<br>(Note 6)         | Long position                    | 1,980,000        | -                   | 5,834,357,271                                            |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Lau Wai Kit                                           | Long position                    | -                | 5,836,337,271       | -                                                        |                                                                               | 5,836,337,271                 | 47.04%                                          |
| Alat Technologies Company (Note 8)                    | Long position                    | -                | 1,559,181,636       | -                                                        |                                                                               | 1,559,181,636                 | 12.57%                                          |
| Public Investment Fund (Note 8)                       | Long position                    | -                | 1,559,181,636       | -                                                        |                                                                               | 1,559,181,636                 | 12.57%                                          |
| JPMorgan Chase & Co.                                  | Long position                    | 847,347,086      | -                   | -                                                        |                                                                               | 847,347,086                   | 6.83%                                           |
|                                                       |                                  |                  |                     |                                                          | (Notes 9 and 10)                                                              |                               |                                                 |
|                                                       | Short position                   | 361,939,106      | -                   | -                                                        |                                                                               | 361,939,106                   | 2.91%                                           |
|                                                       |                                  |                  |                     |                                                          | (Notes 9 and 10)                                                              |                               |                                                 |
|                                                       | Lending pool                     | -                | -                   | -                                                        |                                                                               | 440,742,560                   | 3.55%                                           |
|                                                       |                                  |                  |                     |                                                          | (Notes 9 and 10)                                                              |                               |                                                 |
| BlackRock, Inc.                                       | Long position                    | -                | 717,449,118         | -                                                        |                                                                               | 717,449,118                   | 5.78%                                           |
|                                                       |                                  |                  |                     |                                                          | (Note 9)                                                                      |                               |                                                 |
|                                                       | Short position                   | -                | 4,578,000           | -                                                        |                                                                               | 4,578,000                     | 0.04%                                           |
|                                                       |                                  |                  |                     |                                                          | (Note 9)                                                                      |                               |                                                 |

# Directors' report

## Substantial shareholders' and other persons' interests (continued)

Notes:

- The percentages were compiled based on the 12,404,659,302 ordinary shares of the Company in issue as at March 31, 2026.
- Kind Jasper Limited ("Kind Jasper") is wholly-owned by Right Lane Limited ("Right Lane"), which is in turn wholly-owned by Legend Holdings. By virtue of the SFO, Right Lane and Legend Holdings are deemed to be interested in the 548,263,805 ordinary shares held by Kind Jasper.
- Legion Elite Limited ("Legion Elite") is wholly-owned by Right Lane, which is in turn wholly-owned by Legend Holdings. By virtue of the SFO, Right Lane and Legend Holdings are deemed to be interested in the 480,000,000 ordinary shares held by Legion Elite.
- Honorific Promise Limited ("Honorific Promise") is wholly-owned by Right Lane, which is in turn wholly-owned by Legend Holdings. By virtue of the SFO, Right Lane and Legend Holdings are deemed to be interested in the 79,358,000 ordinary shares held by Honorific Promise.
- As at March 31, 2026, Legend Holdings, together with Right Lane, Kind Jasper, Legion Elite and Honorific Promise, directly or indirectly held 32.04% ordinary shares of the Company.
- Pursuant to the terms of the warrants subscription agreement, all the warrant subscribers undertook to be subject to certain restrictions on the disposal of their respective Warrants and the underlying Warrant Shares. As such, each of the warrant subscribers became a member of a concert party group. For further details, please refer to the Company's circular dated August 19, 2024. For the avoidance of doubt, the Warrants issued by the Company do not carry any voting right until and unless the Warrant Shares are issued as a result of the exercise of Warrants. The exercise price was adjusted to HK\$11.92 per share with effect from August 2, 2025 as a result of the declaration of the FY2024/25 final dividend.
- Mr. Yang Yuanqing holds more than one-third of the voting power at general meetings of Sureinvest. Accordingly, Mr. Yang is deemed to have interests in those shares of the Company held by Sureinvest under the SFO.
- On January 8, 2025, the Company issued US\$2,000,000,000 zero coupon convertible bonds due 2028 ("2028 Convertible Bonds") to a wholly-owned subsidiary of Alat Technologies Company ("Alat Technologies"). Upon maturity and assuming full conversion of the zero-coupon convertible bonds at the initial conversion price of HK\$10.02 per share, the convertible bonds can be convertible into 1,559,181,636 ordinary shares of the Company. Alat International Investments Company ("Alat International") is wholly-owned by Alat Technologies, which is in turn wholly-owned by Public Investment Fund ("PI Fund"). By virtue of the SFO, Alat Technologies and PI Fund are deemed to be interested in the 1,559,181,636 ordinary shares held by Alat International. The initial conversion price was adjusted to HK\$9.70 per share with effect from August 2, 2025 as a result of the declaration of the FY2024/25 final dividend. Assuming full conversion of the 2028 Convertible Bonds at the adjusted conversion price of HK\$9.70 per share, the 2028 Convertible Bonds will be convertible into 1,610,618,556 shares.
- The interests include underlying shares as follows:

| Name                 | Listed derivatives |              |                         | Unlisted derivatives |              |
|----------------------|--------------------|--------------|-------------------------|----------------------|--------------|
|                      | Physically settled | Cash settled | Convertible instruments | Physically settled   | Cash settled |
| JPMorgan Chase & Co. |                    |              |                         |                      |              |
| — Long position      | 49,904,000         | 13,400       | 31,910,016              | 32,315,600           | 185,464,235  |
| — Short position     | 28,440,000         | 2,744,400    | 2,741,214               | 85,734,725           | 63,733,281   |
| BlackRock, Inc.      |                    |              |                         |                      |              |
| — Long position      | —                  | —            | —                       | —                    | 36,746,000   |
| — Short position     | —                  | —            | —                       | —                    | 4,578,000    |

- In addition to the interest as disclosed under the column of "Beneficial Owner", other capacities and numbers of shares held are outlined below:

| Name                 | Capacity and number of shares |                                             |         |                        |
|----------------------|-------------------------------|---------------------------------------------|---------|------------------------|
|                      | Investment manager            | Person having a security interest in shares | Trustee | Approved lending agent |
| JPMorgan Chase & Co. |                               |                                             |         |                        |
| — Long position      | 20,532,768                    | 29,205,973                                  | 100,120 | 440,742,560            |
| — Short position     | 4,390,000                     | —                                           | —       | —                      |

Save as disclosed above, as at March 31, 2026, no other persons (other than the directors and chief executive of the Company, whose interests are set out in "Directors' and chief executive's interests") had any interests or short positions in the shares and/or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

## Retirement scheme arrangements

The Group contributes toward retirement income protection for its employees through the provision of defined benefit pension plans, defined contribution plans, and/or contributions to various public retirement schemes in certain jurisdictions. These benefits form an important part of the Group's total compensation and benefits program that is designed to attract and retain highly skilled and talented employees.

### Defined benefit pensions plans

#### Chinese Mainland — Retirement Schemes

The Group participates in respective local municipal government retirement schemes in the mainland of China ("Chinese Mainland") whereby it is required to make an annual contribution of no more than 20% of three times the monthly average salaries as set out by the local municipal government each year. The local municipal governments undertake to assume the retirement benefit obligations of all retirees of the qualified employees in the Chinese Mainland. In July 2006, the Group has established a supplemental retirement program for its employees in Chinese Mainland. This is a defined contribution plan, with voluntary employee participation.

In addition to the above, the Group has defined benefit and/or defined contribution plans that cover substantially all regular employees, and supplemental retirement plans that cover certain executives. Information on the principal pension plans sponsored by the Group is summarized in this section.

#### United States of America ("US") — Lenovo Pension Plan

The Group provides US regular, full-time and part-time employees who were employed by IBM prior to being hired by the Group and who were members of the IBM Personal Pension Plan ("PPP") with non-contributory defined benefit pension benefits via the Lenovo Pension Plan. As of December 31, 2015, the plan was frozen.

The Lenovo Pension Plan consists of a tax-qualified plan and a non-tax-qualified (non-qualified) plan. The qualified plan is funded by the Group contributions to an irrevocable trust fund, which is held for the sole benefit of participants and beneficiaries. The non-qualified plan, which provides benefits in excess of US Internal Revenue Service limitations for tax-qualified plans, is unfunded.

Pension benefits are calculated using a five-year average final pay formula that determines benefits based on a participant's salary and years of service, including prior service with IBM. The benefit is reduced by the amount of the IBM PPP benefit accrued to May 1, 2005, which will be paid by IBM's trust.

For the year ended March 31, 2026, an amount of US\$1,321,928 was charged to the consolidated income statement with respect to the qualified and non-qualified plans.

The principal results of the most recent actuarial valuation of the plan at March 31, 2026 were as follows:

- The actuarial valuation was prepared by Fidelity. The actuaries involved are fully qualified under the requirements of US law.
- The actuarial method used was the Projected Unit Credit Cost method and the principal actuarial assumptions were:

|                                   |       |
|-----------------------------------|-------|
| — Discount rate:                  | 5.30% |
| — Expected return on plan assets: | 5.20% |
| — Future salary increases:        | N/A   |
- The qualified plan was 76% funded at the actuarial valuation date.
- There was a net liability of US\$15,812,405 under the qualified plan for this reason at the actuarial valuation date.

# Directors' report

## Retirement scheme arrangements *(continued)*

### Defined benefit pensions plans *(continued)*

#### Japan — Pension Plan

The Group operates a hybrid plan that consists of a defined contribution up to the annual tax-deductible limit plus a cash balance plan with contributions of 7% of pay. The plan is funded by the Group contributions to a qualified pension fund, which is held for the sole benefit of participants and beneficiaries.

For the year ended March 31, 2026, an amount of JPY720,691,501 was charged to the consolidated income statement with respect to this plan.

The principal results of the most recent actuarial valuation of the plan at March 31, 2026 were the following:

- The actuarial valuation was prepared by JP Actuary Consulting Co., Ltd.. The actuaries involved are fully qualified under the requirements of Japanese law.
- The actuarial method used was the Projected Unit Credit Cost method and the principal actuarial assumptions were:

|                                   |                 |
|-----------------------------------|-----------------|
| — Discount rate:                  | 3.10%-3.40%     |
| — Expected return on plan assets: | 2.60%           |
| — Future salary increases:        | Age-group based |
- The plan was 102% funded at the actuarial valuation date.
- There was a net asset of JPY548,335,294 under this plan at the actuarial valuation date.

#### Germany — Pension Plan

The Group operates a hybrid plan that provides a defined contribution for some participants and a final pay defined benefit for other participants, depending on which former IBM plan they were in. The Group also operates a closed defined benefit plan for ex-Motorola Mobility employees.

Employees hired by IBM before January 1, 1992 have a defined benefit based on a final pay formula. Employees hired from 1992 to 1999 have a combination of a defined benefit based on a final pay formula and a defined contribution plan with employee required contributions of 7% of pay above the social security ceiling and a 100% company match.

Employees hired in or after 2000 have a combination of a cash balance plan with an employer contribution of 2.95% of pay below the social security ceiling, and a voluntary defined contribution plan where employees can contribute specific amounts through salary sacrifice. Employees of Motorola Mobility have a defined benefit based on a final pay formula.

The plan is partially funded by the Group and employee contributions to an insured support fund with DBV-Winterthur up to the maximum tax-deductible limits. In line with standard practice in Germany, the remainder is unfunded (book reserve).

For the year ended March 31, 2026, an amount of EUR8,971,252 was charged to the consolidated income statement with respect to this plan.

The principal results of the most recent actuarial valuation of the plan at March 31, 2026 were as follows:

- The actuarial valuation was prepared by Kern, Mauch & Kollegen (Motorola Mobility valuation prepared by Willis Towers Watson). The actuaries involved are fully qualified under German law.
- The actuarial method used was the Projected Unit Credit Cost method and the principal actuarial assumptions were:

|                             |                 |
|-----------------------------|-----------------|
| — Discount rate:            | 4.40%           |
| — Future salary increases:  | Age-group based |
| — Future pension increases: | 2.00%           |
- The plans were 45% funded at the actuarial valuation date.
- There was a net liability of EUR83,624,827 under this plan at the actuarial valuation date.

## **Retirement scheme arrangements** *(continued)*

### **Defined contribution plans US**

#### **Lenovo Savings Plan**

US regular, full-time and part-time employees of Lenovo (United States) Inc., including employees of Motorola Mobility LLC, are eligible to participate in the Lenovo Savings Plan, which is a tax-qualified defined contribution plan under section 401(k) of the Internal Revenue Code of the United States. The Motorola Mobility 401(k) Plan merged into the Lenovo Savings Plan effective December 31, 2015. The Group matches 100% of the employee's contribution up to the first 6% of the employee's eligible compensation. Employee contributions are voluntary. All contributions, including the Group match, are made in cash, in accordance with the participants' investment elections. The Group match is immediately vested.

#### **US Lenovo Executive Deferred Compensation Plan**

The Group also maintains an unfunded, non-qualified, defined contribution plan, the Lenovo Executive Deferred Compensation Plan, which allows eligible executives to defer compensation, and to receive the Group matching contributions, with respect to amounts in excess of Internal Revenue Service limits for tax-qualified plans. Compensation deferred under the plan, as well as the Group matching contributions are recorded as liabilities.

Deferred compensation amounts may be directed by participants into an account that replicates the return that would be received had the amounts been invested in similar Lenovo Savings Plan investment options. The Group matching contributions, are directed to participant accounts and fluctuate based on changes in the stock prices of the underlying investment portfolio.

#### **United Kingdom ("UK") — Lenovo Stakeholders Plan**

UK regular, full-time, part-time and fixed term Lenovo contract employees are eligible to participate in the Lenovo Stakeholders Plan, which is a tax-qualified defined contribution "stakeholder" plan. The Group contributes 8.7% of an employee's eligible salary to the employee's pension account each year and the employer contributions are dependent on employee contributing no less than 3% of their salary to the same fund.

#### **Canada — Defined Contribution Pension Plan**

Canadian regular, full-time and part-time employees are eligible to participate in the Defined Contribution Pension Plan, which is a tax-qualified defined contribution plan. The Group contributes 4% of the employee's eligible compensation, in addition the Group matches 50% of the employee's contribution up to the first 4% of the employee's eligible compensation. All contributions are made in cash, in accordance with the participants' investment elections. Employee contributions are voluntary.

#### **Hong Kong S.A.R. of China — Mandatory Provident Fund**

The Group operates a Mandatory Provident Fund Scheme for all qualified employees employed in Hong Kong S.A.R. of China. They are required to contribute 5% of their compensation (subject to the monthly ceiling under the requirements set out in the Mandatory Provident Fund legislation, currently HK\$1,500). The employer's contribution will increase from 5% to 7.5% and 10% respectively after completion of five, and ten years of service by the relevant employees.

## **Continuing connected transactions**

During the year, the Group conducted continuing connected transactions with Fujitsu Limited ("Fujitsu") and its affiliates (together, the "Fujitsu Group"), which are connected persons of the Company (as defined under the Listing Rules), and are required to be disclosed pursuant to Rules 14A.49 and 14A.71 of the Listing Rules.

Fujitsu Client Computing Limited ("FCCL") is an indirect non-wholly-owned subsidiary of the Company, held as to 51% by the Group and 49% by Fujitsu. Accordingly, Fujitsu is a connected person of the Company at the subsidiary level, and the transactions contemplated under the relevant agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

At or prior to the completion of the FCCL joint venture taking place on May 2, 2018, FCCL entered into various agreements with members of the Fujitsu Group to facilitate the operation of its business. Subsequently, certain of these agreements have been renewed and/or extended from time to time by way of side letters, with the latest revisions and renewals approved in February 2025 and February 2026, details of which were set out in the announcements dated February 28, 2025 and February 27, 2026 respectively.



# Directors' report

## Continuing connected transactions (continued)

In addition, the Company entered into a new secondment agreement with Fujitsu on October 31, 2024 for a term of three years, which was classified as a de minimis transaction and governs the secondment of certain employees from members of the Fujitsu Group to FCCL. Details of which was set out in the above-mentioned announcement dated February 28, 2025.

Save as disclosed above, certain agreements expired and were not renewed. As at the end of the reporting period, the continuing agreements in force (the "Fujitsu CCT Agreements") comprise:

- Transitional Services Agreement
- Manufacturing Agreement (FIT)
- Sales and Distribution Agreement
- Fujitsu Trademark and Brand License Agreement
- New Secondment Agreement

Details of such continuing connected transactions contemplated under the Fujitsu CCT Agreements during the year are set out as follows:

### **(i) Transitional Services Agreement**

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                       | May 2, 2018 with side letters entered on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively                                                                                                                                                                                                                                                                                                                                                                                                        |
| Parties:                    | FCCL and Fujitsu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Services provided/received: | Transitional services provided by Fujitsu to FCCL and vice versa including research and development of hardware and software, sales and marketing, information technology support, development and management, customer care support, quality control, manufacturing support, supply chain management, procurement and corporate management.                                                                                                                                                                                         |
| Term:                       | <p>The term commenced from May 2, 2018 and expired on May 2, 2023, which was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively due to mutual development needs and goals of the Company and Fujitsu.</p> <p>The term may be extended under the same terms and conditions by mutual agreement between the parties.</p>                                                             |
| Annual cap:                 | <p>Expenses incurred from the use of services provided by Fujitsu to FCCL:</p> <p>1/4/2025 – 31/3/2026: JPY6,161 million (approximately US\$41.1 million)<sup>(Note 1)</sup><br/>1/4/2026 – 31/3/2027: JPY3,966 million (approximately US\$25.6 million)<sup>(Note 2)</sup></p> <p>Incomes generated for services to Fujitsu by FCCL:</p> <p>1/4/2025 – 31/3/2026: JPY426 million (approximately US\$2.8 million)<sup>(Note 1)</sup><br/>1/4/2026 – 31/3/2027: JPY319 million (approximately US\$2.1 million)<sup>(Note 2)</sup></p> |

## **Continuing connected transactions** *(continued)*

### **(ii) Manufacturing Agreement (FIT)**

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                       | May 2, 2018 with side letters entered on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively                                                                                                                                                                                                                                                                                                                                            |
| Parties:                    | FCCL and Fujitsu Isotec Limited ("FIT")                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Services provided/received: | FIT agreed to provide manufacturing services to FCCL. FCCL agreed to provide component sourcing services to FIT.                                                                                                                                                                                                                                                                                                                                                         |
| Term:                       | <p>The term commenced from May 2, 2018 and expired on May 2, 2023, which was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively due to mutual development needs and goals of the Company and Fujitsu.</p> <p>The term may be extended under the same terms and conditions by mutual agreement between the parties.</p> |
| Annual cap:                 | <p>Expenses incurred from the use of services provided by FIT to FCCL:</p> <p>1/4/2025 – 31/3/2026: Revised from JPY503 million (approximately US\$3.2 million)<sup>(Note 2)</sup> to JPY554 million (approximately US\$3.6 million)<sup>(Note 2)</sup></p> <p>1/4/2026 – 31/3/2027: JPY623 million (approximately US\$4.0 million)<sup>(Note 2)</sup></p>                                                                                                               |

### **(iii) Sales and Distribution Agreement**

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                       | May 2, 2018 with side letters entered on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively                                                                                                                                                                                                                                                                                                                                            |
| Parties:                    | FCCL and Fujitsu                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Services provided/received: | FCCL agreed to supply Fujitsu-branded products and such other products as agreed between the parties and services to Fujitsu.                                                                                                                                                                                                                                                                                                                                            |
| Term:                       | <p>The term commenced from May 2, 2018 and expired on May 2, 2023, which was subsequently extended to May 2, 2024, May 2, 2025, May 2, 2026 and May 1, 2027 by entering into side letters on March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 respectively due to mutual development needs and goals of the Company and Fujitsu.</p> <p>The term may be extended under the same terms and conditions by mutual agreement between the parties.</p> |
| Annual cap:                 | <p>Incomes generated for services to Fujitsu by FCCL:</p> <p>1/4/2025 – 31/3/2026: JPY239,980 million (approximately US\$1,601.6 million)<sup>(Note 1)</sup></p> <p>1/4/2026 – 31/3/2027: JPY190,120 million (approximately US\$1,227.6 million)<sup>(Note 2)</sup></p>                                                                                                                                                                                                  |

# Directors' report

## Continuing connected transactions *(continued)*

### (iv) Fujitsu Trademark and Brand License Agreement

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                       | May 2, 2018 with a notice of extension on January 16, 2023, and a side letter entered on February 27, 2026                                                                                                                                                                                                                                                                                                                                                                                               |
| Parties:                    | FCCL and Fujitsu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Services provided/received: | Fujitsu granted FCCL licenses to use Fujitsu name and trademarks.                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Term:                       | <p>The term commenced from May 2, 2018 and expired on May 2, 2023, which was subsequently extended to May 2, 2026 and May 1, 2027 following the exercise of option by FCCL by providing a notice of extension to Fujitsu on January 16, 2023 and by entering into a side letter on February 27, 2026 respectively due to mutual development needs and goals of the Company and Fujitsu.</p> <p>The term may be extended under the same terms and conditions by mutual agreement between the parties.</p> |
| Annual cap:                 | <p>Royalty payable to Fujitsu:</p> <p>1/4/2025 – 31/3/2026: JPY639 million (approximately US\$4.9 million)<sup>(Note 3)</sup><br/>1/4/2026 – 31/3/2027: JPY692 million (approximately US\$4.5 million)<sup>(Note 2)</sup></p>                                                                                                                                                                                                                                                                            |

### (v) New Secondment Agreement

|                             |                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date:                       | October 31, 2024                                                                                                                                                                                                                                                                                                                                                      |
| Parties:                    | FCCL and Fujitsu                                                                                                                                                                                                                                                                                                                                                      |
| Services provided/received: | Secondment by Fujitsu to FCCL of certain employees of Fujitsu.                                                                                                                                                                                                                                                                                                        |
| Term:                       | The term commenced from November 1, 2024 and will be expired on October 31, 2027.                                                                                                                                                                                                                                                                                     |
| Annual cap:                 | <p>Expenses incurred from the use of services provided by Fujitsu to FCCL:</p> <p>1/4/2025 – 31/3/2026: JPY161 million (approximately US\$1.1 million)<sup>(Note 1)</sup><br/>1/4/2026 – 31/3/2027: JPY162 million (approximately US\$1.1 million)<sup>(Note 1)</sup><br/>1/4/2027 – 31/10/2027: JPY96 million (approximately US\$0.6 million)<sup>(Note 1)</sup></p> |

#### Notes:

1. The translation of Japanese yen into United States dollars is based on the exchange rate of JPY1.00 to US\$0.006674 for information purposes only.
2. The translation of Japanese yen into United States dollars is based on the exchange rate of JPY1.00 to US\$0.006457 for information purposes only.
3. The translation of Japanese yen into United States dollars is based on the exchange rate of JPY1.00 to US\$0.007645 for information purposes only.

### **Continuing connected transactions** *(continued)*

Full details of the above continuing connected transactions are set out in the announcements published by the Company on November 2, 2017, May 2, 2018, February 21, 2020, March 31, 2023, March 28, 2024, February 28, 2025 and February 27, 2026 and on the websites of the Group and Hong Kong Exchanges and Clearing Limited.

In accordance with rule 14A.55 of the Listing Rules, the independent non-executive directors of the Company reviewed the continuing connected transactions as mentioned above and confirmed that the transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

Pursuant to rule 14A.56 of the Listing Rules, the Company's external auditor, PricewaterhouseCoopers ("PwC") was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. PwC has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in the paragraph above in accordance with rule 14A.56 of the Listing Rules.

### **Significant related party transactions**

During the year, the Group entered into certain transactions with parties regarded as "related parties" under applicable accounting principles. Details of the significant related party transactions undertaken in the normal course of business are set out in note 35 to the financial statements. None of these transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

### **Auditor**

The financial statements for the year have been audited by PwC who retire and, being eligible, offer themselves for re-appointment.

### **Public float**

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, there is sufficient public float of more than 25% of the Company's total number of issued shares as required under the Listing Rules.

On behalf of the Board



**Yang Yuanqing**  
Chairman and Chief Executive Officer  
May 22, 2026

# Independent auditor's report

## Independent auditor's report To the members of Lenovo Group Limited

*(incorporated in Hong Kong with limited liability)*

### Opinion

#### What we have audited

The consolidated financial statements of Lenovo Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 173 to 266, comprise:

- the consolidated balance sheet as at March 31, 2026;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

#### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Key Audit Matters *(continued)*

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of goodwill and other intangible assets with indefinite useful lives
- Recognition of deferred income tax assets

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Impairment assessment of goodwill and other intangible assets with indefinite useful lives</b></p> <p>Refer to note 14 to the consolidated financial statements</p> <p>As at March 31, 2026, the Group had goodwill and other intangible assets with indefinite useful lives totaling US\$6,203 million. The Group tests at least annually whether goodwill and other intangible assets that have indefinite useful lives have suffered any impairment.</p> <p>For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows cash generating units ("CGUs"). The recoverable amount of each CGU was determined based on value in use calculations using cash flow projections.</p> <p>We focused on the impairment of goodwill and other intangible assets with indefinite useful lives because the estimation of recoverable amount is subject to high degree of estimation uncertainty. The inherent risk in relation to the impairment of goodwill and other intangible assets with indefinite useful lives is considered significant due to significant management judgement to appropriately identify CGUs and to determine the key assumptions, including revenue growth rates, operating margins and discount rates.</p> <p>Management are of the view that there was no evidence of impairment of goodwill or other intangible assets with indefinite useful lives as at March 31, 2026.</p> | <p>Our procedures in relation to the Group's impairment assessment included:</p> <ul style="list-style-type: none"> <li>• Assessing the value in use calculation methodology adopted by management.</li> <li>• Understanding management's controls and processes for determining the recoverable amount and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied.</li> <li>• Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business.</li> <li>• Challenging the reasonableness of key assumptions such as revenue growth rates, operating margins and discount rates with reference to the business and industry circumstances.</li> <li>• Reconciling input data to supporting evidence, such as approved forecasts of future profits and strategic plans.</li> <li>• Considering the reasonableness of the forecasts of future profits and strategic plans by comparing them against past results achieved.</li> <li>• Assessing management's sensitivity analysis around the key assumptions, to ascertain the extent to which adverse changes, both individually or in aggregate, might impact on the outcome of the impairment assessment of the goodwill and other intangible assets with indefinite useful lives.</li> </ul> <p>We found the judgements made by management in relation to the impairment assessment to be supportable based on the available evidence.</p> |

# Independent auditor's report

## Key Audit Matters (continued)

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recognition of deferred income tax assets</b></p> <p>Refer to note 16 to the consolidated financial statements</p> <p>As at March 31, 2026, the Group had deferred income tax assets of US\$3,762 million.</p> <p>Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.</p> <p>Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and expected to apply when the related deferred tax income asset is realized.</p> <p>We focused on the recognition of deferred income tax assets because the estimation of future taxable profit is subject to high degree of estimation uncertainty. The inherent risk in relation to the recognition of deferred income tax assets is considered significant due to significant management judgement regarding the future financial performance of the entity in which the deferred income tax asset has been recognized. A number of factors are evaluated in considering whether there is evidence that it is probable the deferred income tax assets will be realized, including whether there will be sufficient taxable profits available during the utilization periods, existence of taxable temporary differences, group relief and tax planning strategies.</p> <p>Management has performed its assessment on the recognition of these deferred income tax assets and considers that the realization of these assets is probable as at March 31, 2026.</p> | <p>Our procedures in relation to the recognition of deferred income tax assets included:</p> <ul style="list-style-type: none"> <li>Understanding management's controls and processes for the recognition of deferred income tax assets and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied.</li> <li>Evaluating management's assessment as to whether there will be sufficient taxable profits in future periods by reference to forecasts of future profits/strategic plans and future reversals of taxable temporary differences to support the recognition of deferred income tax assets.</li> <li>Assessing the underlying assumptions used in management's approved forecasts of future profits such as revenue growth rates and operating margins by comparison to historical results and future strategic and tax plans and with reference to the business and industry circumstances.</li> <li>Testing management's reconciliations of forecast profits to forecast taxable profits to supporting evidence on a sample basis.</li> <li>Validating available tax losses, including the respective expiry periods to tax returns and tax correspondence of the relevant subsidiaries.</li> <li>Testing the calculation of deferred income tax assets by reference to tax rates enacted or substantively enacted by the balance sheet date.</li> </ul> <p>We found the judgements made by management in relation to recognition of deferred income tax assets to be supportable based on the available evidence.</p> |

## Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# Independent auditor's report

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shia Yuen Yee (practising certificate number: PO5129).



**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, May 22, 2026

# Consolidated income statement

For the year ended March 31, 2026

|                                                                  | Note | 2026<br>US\$'000     | 2025<br>US\$'000 |
|------------------------------------------------------------------|------|----------------------|------------------|
| Revenue                                                          | 3    | <b>83,074,555</b>    | 69,076,968       |
| Cost of sales                                                    |      | <b>(70,265,133)</b>  | (57,979,358)     |
| Gross profit                                                     |      | <b>12,809,422</b>    | 11,097,610       |
| Selling and distribution expenses                                |      | <b>(4,049,100)</b>   | (3,584,534)      |
| Administrative expenses                                          |      | <b>(3,092,286)</b>   | (2,822,604)      |
| Research and development expenses                                |      | <b>(2,490,403)</b>   | (2,288,204)      |
| Other operating income/(expenses) — net                          |      | <b>84,110</b>        | (238,115)        |
| Operating profit                                                 | 4    | <b>3,261,743</b>     | 2,164,153        |
| Finance income                                                   | 5(a) | <b>110,929</b>       | 109,964          |
| Finance costs                                                    | 5(b) | <b>(688,102)</b>     | (773,269)        |
| Share of losses of associates and joint ventures                 | 15   | <b>(14,662)</b>      | (19,978)         |
| Profit before taxation                                           |      | <b>2,669,908</b>     | 1,480,870        |
| Taxation                                                         | 6    | <b>(509,995)</b>     | (18,918)         |
| Profit for the year                                              |      | <b>2,159,913</b>     | 1,461,952        |
| Profit attributable to:                                          |      |                      |                  |
| Equity holders of the Company                                    |      | <b>1,911,951</b>     | 1,384,445        |
| Other non-controlling interests                                  |      | <b>247,962</b>       | 77,507           |
|                                                                  |      | <b>2,159,913</b>     | 1,461,952        |
| Earnings per share attributable to equity holders of the Company |      |                      |                  |
| Basic                                                            | 9(a) | <b>US15.63 cents</b> | US11.30 cents    |
| Diluted                                                          | 9(b) | <b>US13.91 cents</b> | US10.62 cents    |



# Consolidated statement of comprehensive income

For the year ended March 31, 2026

|                                                                                                      | Note  | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| Profit for the year                                                                                  |       | <b>2,159,913</b> | 1,461,952        |
| Other comprehensive income/(loss):                                                                   |       |                  |                  |
| <u>Items that will not be reclassified to profit or loss</u>                                         |       |                  |                  |
| Remeasurements of post-employment benefit obligations, net of taxes                                  | 6, 27 | <b>11,746</b>    | 5,561            |
| Fair value change on financial assets at fair value through other comprehensive income, net of taxes | 6, 17 | <b>2,735</b>     | (11,369)         |
| <u>Items that have been reclassified or may be subsequently reclassified to profit or loss</u>       |       |                  |                  |
| Fair value change on cash flow hedges from foreign exchange forward contracts, net of taxes          | 6     |                  |                  |
| — Fair value (loss)/gain, net of taxes                                                               |       | <b>(95,438)</b>  | 80,174           |
| — Reclassified to consolidated income statement                                                      |       | <b>259,914</b>   | (182,314)        |
| Currency translation differences                                                                     | 6     | <b>359,741</b>   | (377,729)        |
| Other comprehensive income/(loss) for the year                                                       |       | <b>538,698</b>   | (485,677)        |
| Total comprehensive income for the year                                                              |       | <b>2,698,611</b> | 976,275          |
| Total comprehensive income attributable to:                                                          |       |                  |                  |
| Equity holders of the Company                                                                        |       | <b>2,474,902</b> | 893,258          |
| Other non-controlling interests                                                                      |       | <b>223,709</b>   | 83,017           |
|                                                                                                      |       | <b>2,698,611</b> | 976,275          |

# Consolidated balance sheet

At March 31, 2026

|                                                                   | Note  | 2026<br>US\$'000  | 2025<br>US\$'000 |
|-------------------------------------------------------------------|-------|-------------------|------------------|
| <b>Non-current assets</b>                                         |       |                   |                  |
| Property, plant and equipment                                     | 11    | <b>2,323,913</b>  | 2,026,280        |
| Right-of-use assets                                               | 12    | <b>648,835</b>    | 592,340          |
| Construction-in-progress                                          | 13    | <b>546,072</b>    | 282,309          |
| Intangible assets                                                 | 14    | <b>7,920,745</b>  | 8,232,977        |
| Interests in associates and joint ventures                        | 15    | <b>266,950</b>    | 315,704          |
| Deferred income tax assets                                        | 16    | <b>3,761,785</b>  | 3,055,905        |
| Financial assets at fair value through profit or loss             | 17    | <b>2,030,501</b>  | 1,464,384        |
| Financial assets at fair value through other comprehensive income | 17    | <b>49,648</b>     | 45,382           |
| Other non-current assets                                          | 19(b) | <b>378,349</b>    | 311,448          |
|                                                                   |       | <b>17,926,798</b> | 16,326,729       |
| <b>Current assets</b>                                             |       |                   |                  |
| Inventories                                                       | 18    | <b>11,720,885</b> | 7,923,804        |
| Trade, lease and notes receivables                                | 19(a) | <b>14,502,738</b> | 10,506,610       |
| Derivative financial assets                                       |       | <b>174,916</b>    | 53,690           |
| Deposits, prepayments and other receivables                       | 19(e) | <b>7,429,782</b>  | 4,223,658        |
| Income tax recoverable                                            |       | <b>390,444</b>    | 379,590          |
| Bank deposits                                                     | 20    | <b>96,369</b>     | 88,607           |
| Cash and cash equivalents                                         | 20    | <b>4,887,162</b>  | 4,728,124        |
|                                                                   |       | <b>39,202,296</b> | 27,904,083       |
| <b>Total assets</b>                                               |       | <b>57,129,094</b> | 44,230,812       |

# Consolidated balance sheet

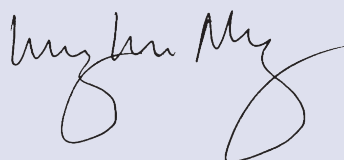
At March 31, 2026

|                                                 | Note  | 2026<br>US\$'000  | 2025<br>US\$'000 |
|-------------------------------------------------|-------|-------------------|------------------|
| Share capital                                   | 28    | 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 | 22(b) | (547,353)         | (547,353)        |
| <b>Total equity</b>                             |       | <b>8,443,613</b>  | 6,659,917        |
| <b>Non-current liabilities</b>                  |       |                   |                  |
| Borrowings                                      | 24    | 3,862,595         | 4,337,806        |
| Warranty provision                              | 23    | 169,547           | 159,400          |
| Deferred revenue                                |       | 1,969,201         | 1,628,942        |
| Retirement benefit obligations                  | 27    | 203,822           | 220,784          |
| Deferred income tax liabilities                 | 16    | 310,638           | 270,268          |
| Derivative financial liabilities                | 25    | 45,182            | 241,778          |
| Other non-current liabilities                   | 26    | 766,920           | 717,784          |
|                                                 |       | 7,327,905         | 7,576,762        |
| <b>Current liabilities</b>                      |       |                   |                  |
| Trade and notes payables                        | 21    | 19,236,706        | 11,978,933       |
| Derivative financial liabilities                | 25    | 99,239            | 197,196          |
| Other payables and accruals                     | 22    | 17,279,079        | 13,904,384       |
| Provisions                                      | 23    | 945,068           | 852,593          |
| Deferred revenue                                |       | 1,987,839         | 1,565,459        |
| Income tax payable                              |       | 931,202           | 465,216          |
| Borrowings                                      | 24    | 878,443           | 1,030,352        |
|                                                 |       | 41,357,576        | 29,994,133       |
| <b>Total liabilities</b>                        |       | <b>48,685,481</b> | 37,570,895       |
| <b>Total equity and liabilities</b>             |       | <b>57,129,094</b> | 44,230,812       |

On behalf of the Board



**Yang Yuanqing**  
Chairman and Chief Executive Officer



**Wong Wai Ming**  
Director

# Consolidated cash flow statement

For the year ended March 31, 2026

|                                                                                 | Note  | 2026<br>US\$'000   | 2025<br>US\$'000 |
|---------------------------------------------------------------------------------|-------|--------------------|------------------|
| Cash flows from operating activities                                            |       |                    |                  |
| Net cash generated from operations                                              | 31(a) | <b>5,304,003</b>   | 2,312,940        |
| Interest paid                                                                   |       | <b>(585,595)</b>   | (725,686)        |
| Tax paid                                                                        |       | <b>(694,703)</b>   | (487,432)        |
| Net cash generated from operating activities                                    |       | <b>4,023,705</b>   | 1,099,822        |
| Cash flows from investing activities                                            |       |                    |                  |
| Purchase of property, plant and equipment                                       |       | <b>(653,978)</b>   | (352,979)        |
| Sale of property, plant and equipment                                           |       | <b>46,390</b>      | 38,918           |
| Acquisition of businesses, net of cash acquired                                 | 31(c) | <b>-</b>           | (1,537)          |
| Interests acquired in associates                                                |       | <b>(7,145)</b>     | (8,917)          |
| Deemed disposal of a subsidiary, net of cash disposed                           |       | <b>-</b>           | (14,272)         |
| Loans to an associate and a joint venture                                       |       | <b>(49,785)</b>    | (26,564)         |
| Repayment of loan by an associate                                               |       | <b>15,703</b>      | 29,971           |
| Payment for construction-in-progress                                            |       | <b>(608,017)</b>   | (313,499)        |
| Payment for intangible assets                                                   |       | <b>(596,979)</b>   | (484,674)        |
| Purchase of financial assets at fair value through profit or loss               |       | <b>(284,028)</b>   | (155,775)        |
| Purchase of financial assets at fair value through other comprehensive income   |       | <b>-</b>           | (14)             |
| Net proceeds from sale of financial assets at fair value through profit or loss |       | <b>117,709</b>     | 138,041          |
| Net proceeds from disposal of interests in associates                           |       | <b>4,144</b>       | -                |
| Increase in bank deposits                                                       |       | <b>(7,762)</b>     | (23,052)         |
| Dividends received                                                              |       | <b>3,682</b>       | 8,114            |
| Interest received                                                               |       | <b>110,929</b>     | 109,964          |
| Net cash used in investing activities                                           |       | <b>(1,909,137)</b> | (1,056,275)      |

# Consolidated cash flow statement

For the year ended March 31, 2026

|                                                           | Note  | 2026<br>US\$'000    | 2025<br>US\$'000 |
|-----------------------------------------------------------|-------|---------------------|------------------|
| Cash flows from financing activities                      | 31(b) |                     |                  |
| Capital contribution from other non-controlling interests |       | <b>86,949</b>       | 91,783           |
| Distribution to other non-controlling interests           |       | <b>(3,649)</b>      | (12,516)         |
| Purchase of shares by employee share trusts               |       | <b>(565,261)</b>    | (252,389)        |
| Acquisition of additional interest in a subsidiary        |       | <b>-</b>            | (12,861)         |
| Principal elements of lease payments                      |       | <b>(102,058)</b>    | (121,071)        |
| Dividends paid                                            |       | <b>(612,512)</b>    | (608,351)        |
| Dividends paid to other non-controlling interests         |       | <b>(66,218)</b>     | (59,286)         |
| Proceeds from warrants subscription                       |       | <b>-</b>            | 211,652          |
| Proceeds from issue of convertible bonds                  |       | <b>-</b>            | 2,000,000        |
| Issuing cost of convertible bonds                         |       | <b>-</b>            | (20,192)         |
| Proceeds from loans                                       |       | <b>13,193,602</b>   | 17,014,380       |
| Repayments of loans                                       |       | <b>(12,985,189)</b> | (17,041,262)     |
| Repayments of notes                                       |       | <b>(965,000)</b>    | -                |
| Proceeds from factoring of operating lease receivables    |       | <b>25,531</b>       | -                |
| Repayments of factored operating lease receivables        |       | <b>(3,607)</b>      | -                |
| Net cash (used in)/generated from financing activities    |       | <b>(1,997,412)</b>  | 1,189,887        |
| Increase in cash and cash equivalents                     |       | <b>117,156</b>      | 1,233,434        |
| Effect of foreign exchange rate changes                   |       | <b>41,882</b>       | (65,141)         |
| Cash and cash equivalents at the beginning of the year    |       | <b>4,728,124</b>    | 3,559,831        |
| Cash and cash equivalents at the end of the year          | 20    | <b>4,887,162</b>    | 4,728,124        |



# Consolidated statement of changes in equity

For the year ended March 31, 2026

|                                                                                                                                                    | Attributable to equity holders of the Company |                                |                       |                                  |                 |                  |                |                   | Other non-controlling interests<br>US\$'000 | Put option written on non-controlling interests<br>US\$'000 | Total<br>US\$'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------|-----------------------|----------------------------------|-----------------|------------------|----------------|-------------------|---------------------------------------------|-------------------------------------------------------------|-------------------|
|                                                                                                                                                    | Share capital                                 | Investment revaluation reserve | Employee share trusts | Share-based compensation reserve | Hedging reserve | Exchange reserve | Other reserves | Retained earnings |                                             |                                                             |                   |
|                                                                                                                                                    | US\$'000                                      | US\$'000                       | US\$'000              | US\$'000                         | US\$'000        | US\$'000         | US\$'000       | US\$'000          |                                             |                                                             |                   |
| 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 (Note 24(c))                                                                                                            | -                                             | -                              | -                     | -                                | -               | -                | 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         |

# Consolidated statement of changes in equity

For the year ended March 31, 2026

|                                                                                                                                                    | Attributable to equity holders of the Company |                                            |                                   |                                              |                             |                              |                            |                               |                                             | Put option written on non-controlling interests<br>US\$'000 | Total<br>US\$'000 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------|----------------------------------------------|-----------------------------|------------------------------|----------------------------|-------------------------------|---------------------------------------------|-------------------------------------------------------------|-------------------|
|                                                                                                                                                    | Share capital<br>US\$'000                     | Investment revaluation reserve<br>US\$'000 | Employee share trusts<br>US\$'000 | Share-based compensation reserve<br>US\$'000 | Hedging reserve<br>US\$'000 | Exchange reserve<br>US\$'000 | Other reserves<br>US\$'000 | Retained earnings<br>US\$'000 | Other non-controlling interests<br>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         |

# Notes to the financial statements

For the year ended March 31, 2026

## 1 General information and basis of preparation

Lenovo Group Limited (the “Company”) and its subsidiaries (together, the “Group”) develop, manufacture and market reliable, high-quality, secure and easy-to-use technology products and services. Its product lines include legendary Think-branded commercial personal computers and Idea-branded consumer personal computers, as well as servers, workstations, and a family of mobile internet devices, including tablets and smartphones.

The Company is a limited liability company incorporated in Hong Kong S.A.R. of China. The address of its registered office is 23rd Floor, Lincoln House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong S.A.R. of China. The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRS”). 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, as explained in the material accounting policies set out in relevant notes to the consolidated financial statements.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in relevant notes to the consolidated financial statements.

### Changes in accounting policies and disclosures

#### Amendments to existing standards adopted by the Group

The following amendments to existing standards became applicable for the current year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to existing standards.

- Amendments to HKAS 21, Lack of exchangeability

#### New and amendments to standards in issue not yet effective

The following new standards, amendments and improvements to standards, which may be applicable to the Group, have been issued but are not effective for the year ended March 31, 2026 and have not been early adopted:

|                                                                                                                           | Effective for annual periods beginning on or after |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| Amendments to HKFRS 9 and HKFRS 7, Amendments to the classification and measurement of financial instruments              | April 1, 2026                                      |
| Amendments to HKFRS 9 and HKFRS 7, Contracts referencing nature-dependent electricity                                     | April 1, 2026                                      |
| Annual improvements to HKFRS accounting standards — Volume 11                                                             | April 1, 2026                                      |
| HKFRS 18, Presentation and disclosure in financial statements                                                             | April 1, 2027                                      |
| HKFRS 19, Subsidiaries without public accountability: disclosures                                                         | April 1, 2027                                      |
| Amendments to HKAS 21, Translation to a hyperinflationary presentation currency                                           | April 1, 2027                                      |
| Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture | Date to be determined                              |

# Notes to the financial statements

For the year ended March 31, 2026

## 1 General information and basis of preparation *(continued)*

### Changes in accounting policies and disclosures *(continued)*

#### New and amendments to standards in issue not yet effective *(continued)*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of April 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending March 31, 2027 will be restated in accordance with HKFRS 18.

Except for the abovementioned changes in presentation and disclosure, the application of new and amendments to standards is not expected to have a material impact on the consolidated financial statements of the Group.

## 2 Material accounting policies

Other than the material accounting policies included in corresponding notes to the consolidated financial statements, the material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Principles of consolidation and equity accounting

#### (i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to March 31.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group operates certain businesses in the Mainland of China ("Chinese Mainland") through the variable interest entities ("VIE"), whose equity interests are held by certain key management personnel of the Group. The Group obtained control over these VIEs by entering into a series of contractual arrangement with the legal shareholders who are also referred to as nominee shareholders. These nominee shareholders are the legal owners of the VIEs. However, the rights of those nominee shareholders have been transferred to the Group through the contractual arrangements.

The contractual arrangements that are used to control the VIEs include loan agreements, powers of attorney, exclusive consultation service agreements, exclusive business cooperation agreement, equity pledge agreements and exclusive option agreements. Management concluded that the Group, through the contractual arrangements, has the power to direct the activities that most significantly impact the VIEs' economic performance, bears the risks of and enjoys the rewards normally associated with the ownership of the VIEs, and therefore the Group is the ultimate primary beneficiary of these VIEs. Consequently, the financial results of the VIEs were included in the Group's consolidated financial statements accordingly.

## 2 Material accounting policies *(continued)*

### (a) Principles of consolidation and equity accounting *(continued)*

#### (i) Subsidiaries *(continued)*

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Adjustments have been made to the financial statements of subsidiaries when necessary to align their accounting policies to ensure consistency with the policies adopted by the Group.

For subsidiaries which adopted December 31 as their financial year end date for statutory reporting purposes, their financial statements for the years ended March 31, 2026 and 2025 have been used for the preparation of the Group's consolidated financial statements.

#### (ii) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, amount of any non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed (Note 14). If it is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

#### **Critical accounting estimates and judgments**

The Group applies the acquisition method to account for business combinations, which requires the Group to record assets acquired and liabilities assumed at their fair values on the date of acquisition. Significant judgment is used to estimate the fair values of the assets and liabilities acquired, including estimating future cash flows from the acquired business, determining appropriate discount rates, asset lives and other assumptions.



# Notes to the financial statements

For the year ended March 31, 2026

## 2 Material accounting policies *(continued)*

### (a) Principles of consolidation and equity accounting *(continued)*

#### (iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

#### (iv) Separate financial statements

Investments in subsidiaries in the Company's balance sheet are accounted for at cost less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### (v) Associates and joint arrangements

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structures of the joint arrangements. The Group has assessed the nature of its joint arrangements and applied HKFRS 11 in preparing the consolidated financial statements.

##### (A) Associates and joint ventures

Interests in associates and joint ventures are accounted for using the equity method of accounting and are initially recognized at cost. The Group's interests in associates and joint ventures include goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income or loss is recognized in other comprehensive income or loss with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or the joint venture including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture.

## 2 Material accounting policies *(continued)*

### (a) Principles of consolidation and equity accounting *(continued)*

#### (v) Associates and joint arrangements *(continued)*

##### (A) Associates and joint ventures *(continued)*

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate and joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates or joint ventures are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates or the joint ventures. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

For associates and joint ventures which adopted December 31 as their financial year end date for statutory reporting purposes, their financial statements for the years ended March 31, 2026 and 2025 have been used for the preparation of the Group's consolidated financial statements.

##### (B) Joint operation

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. Investments in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

### (b) Translation of foreign currencies

- (i) Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Company and of the Group are presented in United States dollars, which is the Company's functional and the Group's presentation currency.
- (ii) Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the consolidated income statement. They are deferred in equity if they are related to qualifying cash flow hedges.

All foreign exchange gains and losses that relate to monetary assets and liabilities denominated in foreign currency are presented in the consolidated income statement within "Other operating income/(expenses) — net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on financial assets and liabilities carried at fair value are as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("FVPL") are recognized in the consolidated income statement as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("FVOCI") are recognized in other comprehensive income or loss.

# Notes to the financial statements

For the year ended March 31, 2026

## 2 Material accounting policies *(continued)*

### (b) Translation of foreign currencies *(continued)*

(iii) The results and financial position of all the group entities that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income or loss and included in the exchange reserve in equity.

(iv) On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary, loss of joint control of a joint venture, or loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of the accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in the consolidated income statement. For all other partial disposals (that is, reductions in the Group's ownership interest in an associate or a joint venture that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated income statement.

## 3 Segment information

### Accounting policy

#### (a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Lenovo Executive Committee (the "LEC") that makes strategic decisions.

#### (b) Sale of goods and provision of services

Revenue from sale of hardware, software, peripherals and mobile devices and the provision of services is recognized when control over such products or services is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax, an allowance for estimated returns, rebates and discounts.

The Group enters into different shipping terms with customers. Control of hardware, software, peripherals and mobile devices is transferred when delivery has occurred. Delivery is generally considered as occurred once the goods are shipped. For certain transactions that the Group retains control during the course of shipment, the Group defers the recognition of revenue and cost of such products until they are delivered to the designated locations. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision.

Control of systems integration service, information technology technical service and extended warranty service is transferred over time during the contract period or when services are rendered.

The Group recognizes revenue on a gross or net basis depending on whether the Group is acting as a principal or an agent in the transaction.

No element of financing is deemed present as the sales are made with a credit term of 0 – 120 days, which is consistent with market practice. A receivable is recognized when the goods or services are delivered and consideration is unconditional because only the passage of time is required before the payment is due.

### 3 Segment information *(continued)*

#### **Accounting policy *(continued)***

##### **(c) Dividend income**

Dividend income is recognized when the right to receive payment is established.

##### **(d) Lease revenue**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

On commencement of finance leases, the Group recognizes profit up-front, and amounts due from the customer under the lease contract are recognized as finance lease receivables on the consolidated balance sheet. Interest income is recognized over the term of the lease based on the effective interest method.

Lease revenue under operating leases is recognized in equal instalments over the periods covered by the lease term. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognized as lease revenue in the accounting period in which they are earned.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

The equipment held for lease are mainly computers and servers under operating leases and are presented within "Property, plant and equipment" in the consolidated balance sheet, and details of which are disclosed in Note 11.

#### **Critical accounting estimates and judgments**

Application of various accounting principles related to the measurement and recognition of revenue requires the Group to make judgments and estimates. Specifically, complex arrangements with non-standard terms and conditions may require significant contract interpretation to determine the appropriate accounting, including whether the deliverables specified in a multiple element arrangement should be treated as separate performance obligations. Other significant judgments include determining whether the Group or a reseller is acting as the principal in a transaction and whether separate contracts are considered part of one arrangement.

The Group sells products to channels. Sales through channels are primarily made under agreements allowing for volume discounts, price protection and rebates, and marketing development funds. The Group monitors the channel inventory level with reference to historical data. Revenue recognition is also impacted by the Group's ability to estimate volume discounts, price protection and rebates, and marketing development funds. The Group considers various factors, including review of specific transactions, historical experience, market and economic conditions and channel inventory level when calculating these provisions and allowances (Note 22). Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

Revenue from sale of goods is recognized when the control of the goods is transferred to customers, which are generally occurred upon shipment. For certain transactions that the Group retains control during the course of shipment, the Group defers the recognition of revenue and cost of such products until they are delivered to the designated locations.

Management has determined the operating segments based on the reports reviewed by the LEC, 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.

# Notes to the financial statements

For the year ended March 31, 2026

## 3 Segment information (continued)

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

|                                                                                    | 2026                |                                 | 2025                |                                        |
|------------------------------------------------------------------------------------|---------------------|---------------------------------|---------------------|----------------------------------------|
|                                                                                    | Revenue<br>US\$'000 | Operating<br>profit<br>US\$'000 | Revenue<br>US\$'000 | Operating<br>profit/(loss)<br>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/<br>(expenses) — net                             |                     | (1,941,641)                     |                     | (1,733,060)                            |
| Depreciation and amortization                                                      |                     | (373,154)                       |                     | (437,179)                              |
| Impairment and write-off of intangible<br>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<br>ventures                                |                     | (16,181)                        |                     | (22,242)                               |
| Loss on disposal of property, plant and<br>equipment                               |                     | (874)                           |                     | (4,108)                                |
| Fair value gain on financial assets at FVPL                                        |                     | 326,645                         |                     | 58,777                                 |
| Fair value gain/(loss) on derivative financial<br>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                              |



### 3 Segment information (continued)

#### (b) Analysis of revenue by geography

|                                    | 2026<br>US\$'000 | 2025<br>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<br>US\$'000 | 2025<br>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) Revenue recognized in relation to deferred revenue and receipt in advance

Deferred revenue and receipt in advance (included in "Other payables and accruals") amounting to US\$4,640,742,000 (2025: US\$3,580,044,000) mainly relate to the Group's unfulfilled performance obligations for extended warranty service for which consideration has been received at the reporting date. Revenue is recognized in the period when the performance obligations are fulfilled. US\$1,951,102,000 (2025: US\$1,709,367,000) was recognized as revenue during the year that was included in such balance at the beginning of the year.

#### (e) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognized in the future mainly related to performance obligations for extended warranty service that are unsatisfied or partially unsatisfied at the reporting date.

|                    | 2026<br>US\$'000 | 2025<br>US\$'000 |
|--------------------|------------------|------------------|
| Within one year    | 2,871,273        | 2,166,337        |
| More than one year | 2,472,532        | 2,371,060        |
|                    | 5,343,805        | 4,537,397        |

#### (f) Other segment information

|                               | IDG              |                  | ISG              |                  | SSG              |                  | Total            |                  |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                               | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 |
| 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          |

The total of non-current assets other than financial instruments, deferred income tax assets and post-employment benefit assets (there are no rights arising under insurance contracts) located in the Chinese Mainland and other countries is US\$4,012,053,000 (2025: US\$4,999,355,000) and US\$8,072,811,000 (2025: US\$6,761,703,000) respectively.

# Notes to the financial statements

For the year ended March 31, 2026

## 4 Operating profit

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

|                                                                                                     | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
| Depreciation of property, plant and equipment (Note 11)                                             | 521,892          | 453,861          |
| Depreciation of right-of-use assets (Note 12)                                                       | 118,381          | 115,965          |
| Amortization of intangible assets (Note 14)                                                         | 777,958          | 849,309          |
| Impairment and write-off of property, plant and equipment (Note 11)                                 | 284              | -                |
| Impairment and write-off of construction-in-progress (Note 13)                                      | 3,258            | -                |
| Impairment and write-off of intangible assets (Note 14)                                             | 234,316          | 123,140          |
| Employee benefit costs (Note 7)                                                                     | 6,906,355        | 6,220,476        |
| Cost of inventories sold                                                                            | 66,655,069       | 54,802,676       |
| Allowance/(reversal of allowance) for inventories included in cost of sales                         | 139,049          | (62,123)         |
| Auditor's remuneration (Note)                                                                       |                  |                  |
| — Audit services                                                                                    | 14,106           | 12,848           |
| — Non-audit services                                                                                | 706              | 480              |
| Rental expenses                                                                                     | 18,715           | 15,816           |
| Government grants (Note 26(b))                                                                      | (102,517)        | (98,578)         |
| Net foreign exchange loss                                                                           | 55,100           | 21,467           |
| Net loss/(gain) on foreign exchange forward contracts for cash flow hedges reclassified from equity | 259,914          | (182,314)        |
| Increase in loss allowance of trade receivables (Note 19(c))                                        | 94,035           | 102,905          |
| Unused amounts of loss allowance of trade receivables reversed (Note 19(c))                         | (45,331)         | (57,623)         |
| Increase in loss allowance of lease receivables (Note 19(c))                                        | 15,046           | 3,671            |
| Unused amounts of loss allowance of lease receivables reversed (Note 19(c))                         | (655)            | -                |
| Loss on disposal of property, plant and equipment                                                   | 4,316            | 3,596            |
| Loss on disposal of construction-in-progress                                                        | 385              | 535              |
| Loss on disposal of intangible assets                                                               | 812              | 2,954            |
| Fair value gain on financial assets at FVPL                                                         | (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)         |

Note: Included in the above audit services fee, US\$12,300,000 (2025: US\$10,940,000) is paid or payable to the Company's auditor.

## 5 Finance income and costs

### (a) Finance income

#### Accounting policy

Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognized using the original effective interest rate.

|                                  | 2026<br>US\$'000 | 2025<br>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

#### Accounting policy

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

|                                            | 2026<br>US\$'000 | 2025<br>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          |

# Notes to the financial statements

For the year ended March 31, 2026

## 6 Taxation

### Accounting policy

The tax expense for the year comprises current and deferred income tax (Note 16).

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, joint ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### Critical accounting estimates and judgments

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The tax liabilities recognized are based on management's assessment of the likely outcome taking into consideration precedent tax ruling in the relevant jurisdiction.

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions and deferred income tax assets and liabilities in the period in which such determination is made.

The amount of taxation in the consolidated income statement represents:

|                                              | 2026<br>US\$'000 | 2025<br>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 (Note 16)                       |                  |                  |
| 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.

The Group has been granted certain tax concessions by tax authorities in the Chinese Mainland and overseas whereby the subsidiaries operating in the respective jurisdictions are entitled to tax concessions.

## 6 Taxation (continued)

The differences between the Group's expected tax charge, calculated at the domestic rates applicable to the countries concerned, and the Group's tax charge for the year are as follows:

|                                                                                     | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-------------------------------------------------------------------------------------|------------------|------------------|
| Profit before taxation                                                              | <b>2,669,908</b> | 1,480,870        |
| Tax calculated at domestic rates applicable in countries concerned                  | <b>585,631</b>   | 354,212          |
| Income not subject to taxation                                                      | <b>(257,798)</b> | (431,278)        |
| Expenses not deductible for taxation purposes                                       | <b>241,065</b>   | 258,211          |
| Recognition/utilization of previously unrecognized temporary differences/tax losses | <b>(9,936)</b>   | (75,366)         |
| Deferred income tax assets not recognized                                           | <b>65,696</b>    | 185,207          |
| Tax impact of reorganization (Note)                                                 | <b>(45,482)</b>  | (282,000)        |
| (Over)/under-provision in prior years                                               | <b>(69,181)</b>  | 9,932            |
|                                                                                     | <b>509,995</b>   | 18,918           |

Note: During the years ended March 31, 2026 and 2025, 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 of US\$45 million (2025: US\$282 million), primarily derived from deferred tax credit.

The weighted average applicable tax rate for the year was 21.9% (2025: 23.9%). The decrease is caused by changes in tax concessions and profitability of the Group's subsidiaries in respective countries they are operating.

### Organization for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in some jurisdictions in which some subsidiaries of the Group are incorporated, and have come into effect from January 1, 2024. Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate.

The Group has conducted an impact assessment of the Pillar Two transitional safe harbour rules and the full Pillar Two rules and made adequate tax provisions to reflect the impact of Pillar Two legislation.

The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 issued in July 2023.

The tax charge relating to components of other comprehensive income is as follows:

|                                                                 | 2026                   |                        |                       | 2025                   |                        |                       |
|-----------------------------------------------------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|
|                                                                 | Before tax<br>US\$'000 | Tax charge<br>US\$'000 | After tax<br>US\$'000 | Before tax<br>US\$'000 | Tax charge<br>US\$'000 | After tax<br>US\$'000 |
| Fair value change on financial assets at FVOCI                  | <b>3,036</b>           | <b>(301)</b>           | <b>2,735</b>          | (11,360)               | (9)                    | (11,369)              |
| Fair value change on cash flow hedges                           | <b>164,476</b>         | -                      | <b>164,476</b>        | (102,140)              | -                      | (102,140)             |
| Remeasurements of post-employment benefit obligations (Note 27) | <b>11,746</b>          | -                      | <b>11,746</b>         | 5,561                  | -                      | 5,561                 |
| Currency translation differences                                | <b>359,741</b>         | -                      | <b>359,741</b>        | (377,729)              | -                      | (377,729)             |
| Other comprehensive gain/(loss)                                 | <b>538,999</b>         | <b>(301)</b>           | <b>538,698</b>        | (485,668)              | (9)                    | (485,677)             |
| Deferred tax (Note 16)                                          |                        | <b>(301)</b>           |                       |                        | (9)                    |                       |



# Notes to the financial statements

For the year ended March 31, 2026

## 7 Employee benefit costs

### Accounting policy

#### (a) Pension schemes

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit plans (Note 27) and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expense when they are due and are reduced by employer's portion of voluntary contributions forfeited by those employees who leave the scheme prior to vesting fully. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's contributions to local municipal government retirement schemes in connection with retirement benefit schemes in the Chinese Mainland are expensed as incurred. The local municipal governments in the Chinese Mainland assume the retirement benefit obligations of the qualified employees.

#### (b) Long-term incentive program

The Group operates a long-term incentive program to recognize employees' individual and collective contributions, and includes two types of awards, namely share appreciation rights and restricted share units ("Long-term Incentive Awards"). The Company reserves the right, at its discretion, to pay the award in cash or ordinary shares of the Company. The fair value of the employee services received in exchange for the grant of the Long-term Incentive Awards is recognized as employee benefit expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the Long-term Incentive Awards granted, including any market performance conditions (for example, an entity's share price); excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and including the impact of non-vesting conditions. Non-market performance and service conditions are included in assumptions about the number of Long-term Incentive Awards that are expected to become exercisable/vested. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At each balance sheet date, the Group revises its estimates of the number of Long-term Incentive Awards that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to share-based compensation reserve under equity.

Employee share trusts are established for the purposes of awarding shares to eligible employees under the long-term incentive program. The employee share trusts are administered by independent trustees and are funded by the Group's cash contributions and recorded as purchase of shares by employee share trusts, an equity component. The administrator of the employee share trusts buys the Company's shares in the open market for award to employees upon vesting.

Upon vesting, the corresponding amounts in the share-based compensation reserve will be transferred to share capital for new allotment of shares to employees, or to the employee share trusts for shares awarded to employees by the employee share trusts.

## 7 Employee benefit costs (continued)

### Accounting policy (continued)

#### (c) Termination benefit

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

|                                                                                                    | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------------------------------------------------------------------------|------------------|------------------|
| Wages and salaries, including severance and related costs of US\$92,112,000 (2025: US\$21,541,000) | 5,363,142        | 4,837,355        |
| Long-term incentive awards granted                                                                 | 335,048          | 290,245          |
| Social security costs                                                                              | 443,456          | 400,146          |
| Pension costs                                                                                      |                  |                  |
| — Defined contribution plans                                                                       | 367,669          | 332,317          |
| — Defined benefit plans (Note 27)                                                                  | 26,793           | 18,372           |
| Others                                                                                             | 370,247          | 342,041          |
|                                                                                                    | 6,906,355        | 6,220,476        |

The Group contributes to respective local municipal government retirement schemes which are available to all qualified employees in the Chinese Mainland. Contributions to these schemes are calculated with reference to the monthly average salaries as set out by the local municipal government.

The Group participates in various defined contribution schemes, either voluntary or mandatory, for all qualified employees. The assets of those defined contribution schemes are held separately from those of the Group in independently administered funds.

The Group also contributes to certain defined benefit pension schemes, details of which are set out in Note 27.

#### Long-term incentive program

A performance-related long-term incentive program was approved on May 26, 2005 for the purpose of rewarding and motivating directors, executives and top-performing employees of the Company and its subsidiaries (the "Participants"). The long-term incentive program is designed to enable the Company to attract and retain the best available personnel, and encourage and motivate Participants to work towards enhancing the value of the Company and its shares by aligning their interests with those of the shareholders of the Company.

The Company also approved a share-based compensation package for non-executive directors.

Under the long-term incentive program, the Company may grant awards, at its discretion, using any of the two types of equity-based compensation: (a) share appreciation rights and (b) restricted share units, which are described below:

#### (a) Share appreciation rights ("SARs")

An SAR entitles the holder to receive the appreciation in value of the Company's share price above a predetermined level.

#### (b) Restricted share units ("RSUs")

An RSU equals to the value of one ordinary share of the Company. Once vested, an RSU is converted to an ordinary share.

Under the two types of compensation, the Company reserves the right, at its discretion, to settle the award in cash or ordinary shares of the Company.

# Notes to the financial statements

For the year ended March 31, 2026

## 7 Employee benefit costs (continued)

### Long-term incentive program (continued)

Movements in the number of units of award granted during the year and their related weighted average fair values are as follows:

|                                                  | Number of units      |                      |
|--------------------------------------------------|----------------------|----------------------|
|                                                  | SARs                 | RSUs                 |
| Outstanding at April 1, 2024                     | 240,462,601          | 395,970,104          |
| Granted during the year                          | 72,476,952           | 194,141,722          |
| Vested during the year                           | (169,276,272)        | (256,409,652)        |
| Cancelled during the year                        | (11,523,350)         | (17,649,103)         |
| Outstanding at March 31, 2025                    | <b>132,139,931</b>   | <b>316,053,071</b>   |
| Granted during the year                          | <b>107,836,989</b>   | <b>242,348,958</b>   |
| Vested during the year                           | <b>(113,505,107)</b> | <b>(215,541,186)</b> |
| Cancelled during the year                        | <b>(2,729,662)</b>   | <b>(14,372,962)</b>  |
| Outstanding at March 31, 2026                    | <b>123,742,151</b>   | <b>328,487,881</b>   |
| Average fair value at grant date per unit (HK\$) |                      |                      |
| — At March 31, 2025                              | 2.57                 | 9.58                 |
| — At March 31, 2026                              | <b>2.63</b>          | <b>9.76</b>          |

The fair values of the SARs awarded under the long-term incentive program were calculated by applying a Black-Scholes pricing model. For the year ended March 31, 2026, the model inputs were the fair value (i.e. market value) of the Company's shares at the grant date, taking into account the expected volatility of 45.93 to 46.28 percent (2025: 42.91 to 43.05 percent), expected dividends during the vesting periods of 4.37 percent (2025: 3.35 percent), contractual life of 3.90 to 4.40 years (2025: 3.90 to 4.40 years), and a risk-free interest rate of 2.08 to 2.19 percent (2025: 3.68 to 3.77 percent).

The remaining vesting periods of the awards under the long-term incentive program at March 31, 2026 ranged from 0.15 to 2.92 years (2025: 0.15 to 2.92 years).

## 8 Emoluments of directors and highest paid individuals

### (a) Directors' and senior management's emoluments

Directors' emoluments comprise payments by the Group to directors of the Company in connection with the management of the affairs of the Company and its subsidiaries. The remuneration of each director and the chief executive who is also a director, for the years ended March 31, 2026 and 2025 is set out below:

| Name of director                           | 2026             |                      |                                             |                                                      |                                                                                                  |                                          | Total<br>US\$'000 |
|--------------------------------------------|------------------|----------------------|---------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------|-------------------|
|                                            | Fees<br>US\$'000 | Salaries<br>US\$'000 | Discretionary<br>bonuses<br>(i)<br>US\$'000 | Long-term<br>incentive<br>awards<br>(ii)<br>US\$'000 | Retirement<br>payments<br>and<br>employer's<br>contribution<br>to pension<br>schemes<br>US\$'000 | Other<br>benefits<br>in-kind<br>US\$'000 |                   |
| <b>Executive director</b>                  |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. Yang Yuanqing (CEO)                    | -                | 1,348                | 6,199                                       | 16,549                                               | 19                                                                                               | 618                                      | 24,733            |
| <b>Non-executive directors</b>             |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. Zhu Linan                              | 100              | -                    | -                                           | 237                                                  | -                                                                                                | -                                        | 337               |
| Mr. Zhao John Huan                         | 115              | -                    | -                                           | 237                                                  | -                                                                                                | -                                        | 352               |
| Mr. Wong Wai Ming                          | 115              | -                    | -                                           | 61                                                   | -                                                                                                | -                                        | 176               |
| Ms. Laura Green Quatela                    | 112              | -                    | -                                           | 61                                                   | -                                                                                                | -                                        | 173               |
| Mr. Amit Midha                             | 63               | -                    | -                                           | 46                                                   | -                                                                                                | -                                        | 109               |
| <b>Independent non-executive directors</b> |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. Gordon Robert Halyburton Orr           | 140              | -                    | -                                           | 237                                                  | -                                                                                                | -                                        | 377               |
| Mr. Woo Chin Wan Raymond                   | 135              | -                    | -                                           | 237                                                  | -                                                                                                | -                                        | 372               |
| Ms. Yang Lan                               | 112              | -                    | -                                           | 311                                                  | -                                                                                                | -                                        | 423               |
| Professor Xue Lan                          | 120              | -                    | -                                           | 237                                                  | -                                                                                                | -                                        | 357               |
| Ms. Cher Wang Hsiueh Hong                  | 100              | -                    | -                                           | 242                                                  | -                                                                                                | -                                        | 342               |
| Mr. John Lawson Thornton                   | 162              | -                    | -                                           | 211                                                  | -                                                                                                | -                                        | 373               |
| Mr. Kasper Bo Roersted                     | 130              | -                    | -                                           | 202                                                  | -                                                                                                | -                                        | 332               |
|                                            | 1,404            | 1,348                | 6,199                                       | 18,868                                               | 19                                                                                               | 618                                      | 28,456            |

# Notes to the financial statements

For the year ended March 31, 2026

## 8 Emoluments of directors and highest paid individuals (continued)

### (a) Directors' and senior management's emoluments (continued)

| Name of director                           | 2025             |                      |                                             |                                                      |                                                                                                  |                                          | Total<br>US\$'000 |
|--------------------------------------------|------------------|----------------------|---------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------|-------------------|
|                                            | Fees<br>US\$'000 | Salaries<br>US\$'000 | Discretionary<br>bonuses<br>(i)<br>US\$'000 | Long-term<br>incentive<br>awards<br>(ii)<br>US\$'000 | Retirement<br>payments<br>and<br>employer's<br>contribution<br>to pension<br>schemes<br>US\$'000 | Other<br>benefits<br>in-kind<br>US\$'000 |                   |
| <b>Executive director</b>                  |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. Yang Yuanqing (CEO)                    | -                | 1,331                | 5,904                                       | 14,598                                               | 56                                                                                               | 497                                      | 22,386            |
| <b>Non-executive directors</b>             |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. Zhu Linan                              | 100              | -                    | -                                           | 232                                                  | -                                                                                                | -                                        | 332               |
| Mr. Zhao John Huan                         | 111              | -                    | -                                           | 232                                                  | -                                                                                                | -                                        | 343               |
| <b>Independent non-executive directors</b> |                  |                      |                                             |                                                      |                                                                                                  |                                          |                   |
| Mr. William O. Grabe                       | 145              | -                    | -                                           | 489                                                  | -                                                                                                | -                                        | 634               |
| Mr. William Tudor Brown                    | 156              | -                    | -                                           | 489                                                  | -                                                                                                | -                                        | 645               |
| Mr. Gordon Robert<br>Halyburton Orr        | 123              | -                    | -                                           | 232                                                  | -                                                                                                | -                                        | 355               |
| Mr. Woo Chin Wan<br>Raymond                | 135              | -                    | -                                           | 232                                                  | -                                                                                                | -                                        | 367               |
| Ms. Yang Lan                               | 109              | -                    | -                                           | 300                                                  | -                                                                                                | -                                        | 409               |
| Professor Xue Lan                          | 115              | -                    | -                                           | 221                                                  | -                                                                                                | -                                        | 336               |
| Ms. Cher Wang Hsiueh<br>Hong               | 100              | -                    | -                                           | 227                                                  | -                                                                                                | -                                        | 327               |
| Mr. John Lawson Thornton                   | 109              | -                    | -                                           | 146                                                  | -                                                                                                | -                                        | 255               |
| Mr. Kasper Bo Roersted                     | 108              | -                    | -                                           | 76                                                   | -                                                                                                | -                                        | 184               |
|                                            | 1,311            | 1,331                | 5,904                                       | 17,474                                               | 56                                                                                               | 497                                      | 26,573            |



## 8 Emoluments of directors and highest paid individuals *(continued)*

### (a) Directors' and senior management's emoluments *(continued)*

Notes:

- (i) Figures shown in the table above represent discretionary bonuses receivable at March 31, 2026 and 2025 in connection with the performance bonuses for the respective two financial years then ended.
- (ii) Details of the long-term incentive program of the Company are set out in Note 7. The fair value of the employee services received in exchange for the grant of the long-term incentive awards is recognized as an expense. The total amount to be amortized over the vesting period is determined by reference to the fair value of the long-term incentive awards at the date of grant. The amounts disclosed above represent the amortized amounts for the years ended March 31, 2026 and 2025.
- (iii) During the years ended March 31, 2026 and 2025, annual pension payment of US\$1.5 million was made to Mr. Liu Chuanzhi, a retired director.
- (iv) Mr. Wong Wai Ming and Ms. Laura Green Quatela were appointed as non-executive directors on April 1, 2025.
- (v) Mr. Amit Midha was appointed as a non-executive director on August 13, 2025 and was resigned as a non-executive director on April 16, 2026.
- (vi) Mr. William O. Grabe and Mr. William Tudor Brown were resigned as independent non-executive directors on February 21, 2025.
- (vii) Mr. William O. Grabe has elected to defer his receipt of the cash of director's fee into fully vested share units under the long-term incentive program (Note 7) for the first half of the year ended March 31, 2025.

During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor any are payable (2025: nil). No consideration was provided to or receivable by third parties for making available directors' service (2025: nil). There are no loans, quasi-loans or other dealings in favour of the directors, their controlled body corporate and connected entities (2025: nil).

No director of the Company had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2025: nil).

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2025: one) director, who is the CEO of the Group, whose emoluments are reflected in the analysis presented above. The emoluments of the remaining four (2025: four) individuals during the year are as follows:

|                                                                    | 2026<br>US\$'000 | 2025<br>US\$'000 |
|--------------------------------------------------------------------|------------------|------------------|
| Basic salaries, allowances, and other benefits-in-kind (i)         | 5,803            | 7,000            |
| Discretionary bonuses (ii)                                         | 10,265           | 9,146            |
| Long-term incentive awards (iii)                                   | 21,252           | 13,293           |
| Retirement payments and employer's contribution to pension schemes | 850              | 478              |
|                                                                    | 38,170           | 29,917           |

Notes:

- (i) Basic salaries, allowances, and other benefits-in-kind include an inducement fee of US\$1.2 million for the year ended March 31, 2026 and US\$2.8 million for the year ended March 31, 2025. This fee is subject to a claw-back, which may be up to 100%, depending on certain conditions within the first two years of employment.
- (ii) Figures shown in the table above represent discretionary bonuses receivable at March 31, 2026 and 2025 in connection with the performance bonuses for the respective two financial years then ended.
- (iii) Details of the long-term incentive program of the Company are set out in Note 7. The fair value of the employee services received in exchange for the grant of the long-term incentive awards is recognized as an expense. The total amount to be amortized over the vesting period is determined by reference to the fair value of the long-term incentive awards at the date of grant. The amounts disclosed above represent the amortized amounts for the years ended March 31, 2026 and 2025.

# Notes to the financial statements

For the year ended March 31, 2026

## 8 Emoluments of directors and highest paid individuals (continued)

### (b) Five highest paid individuals (continued)

The emoluments fell within the following bands:

|                                 | Number of individuals |      |
|---------------------------------|-----------------------|------|
|                                 | 2026                  | 2025 |
| Emolument bands                 |                       |      |
| US\$6,471,269 — US\$6,535,340   | -                     | 1    |
| US\$6,791,629 — US\$6,855,700   | 1                     | -    |
| US\$7,111,989 — US\$7,176,060   | -                     | 1    |
| US\$7,880,853 — US\$7,944,923   | 1                     | -    |
| US\$8,008,996 — US\$8,073,067   | -                     | 1    |
| US\$8,201,212 — US\$8,265,283   | -                     | 1    |
| US\$9,674,868 — US\$9,738,939   | 1                     | -    |
| US\$13,711,402 — US\$13,775,473 | 1                     | -    |

## 9 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 the 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<br>US\$'000 | 2025<br>US\$'000 |
|---------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit attributable to equity holders of the Company used in calculating basic earnings per share | 1,911,951        | 1,384,445        |

## 9 Earnings per share (continued)

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

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

## 10 Dividends

### Accounting policy

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders in case of final dividend and by the Company's directors in case of interim dividend.

|                                                                                                   | 2026<br>US\$'000 | 2025<br>US\$'000 |
|---------------------------------------------------------------------------------------------------|------------------|------------------|
| Interim dividend of HK8.5 cents (2025: HK8.5 cents) per ordinary share, paid on December 24, 2025 | <b>135,417</b>   | 135,518          |
| Proposed final dividend — HK33.7 cents (2025: HK30.5 cents) per ordinary share                    | <b>533,748</b>   | 483,338          |
|                                                                                                   | <b>669,165</b>   | 618,856          |

# Notes to the financial statements

For the year ended March 31, 2026

## 11 Property, plant and equipment

### Accounting policy

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

Investment properties are shown within "Property, plant and equipment" for the building portion and "Right-of-use assets" for the leasehold land portion (Note 12) on the consolidated balance sheet. Investment properties, principally office buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at historical cost less accumulated depreciation. All freehold lands are located outside Hong Kong S.A.R. of China and are not depreciated.

Depreciation on property, plant and equipment and investment properties are calculated using the straight-line method to allocate their costs to their estimated residual values over the shorter of unexpired periods of the leases or their estimated useful lives to the Group. The principal annual rates used for this purpose are:

|                                                                   |                     |
|-------------------------------------------------------------------|---------------------|
| Buildings, buildings related equipment and leasehold improvements | 2% – 10%            |
| Plant and machinery                                               |                     |
| Tooling equipment                                                 | 50% – 100%          |
| Other machinery                                                   | 14% – 20%           |
| Furniture and fixtures                                            | 20% – 25%           |
| Office equipment                                                  | 20% – 33%           |
| Equipment held for lease                                          | Over the lease term |
| Motor vehicles                                                    | 20%                 |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposal of the asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized within "Other operating income/(expenses) — net" in the consolidated income statement.

## 11 Property, plant and equipment (continued)

|                                                   | Freehold<br>land and<br>buildings<br>US\$'000 | Leasehold<br>improvements<br>US\$'000 | Plant and<br>machinery<br>US\$'000 | Furniture<br>and<br>fixtures<br>US\$'000 | Office<br>equipment<br>US\$'000 | Equipment<br>held for<br>lease<br>US\$'000 | Motor<br>vehicles<br>US\$'000 | Total<br>US\$'000 |
|---------------------------------------------------|-----------------------------------------------|---------------------------------------|------------------------------------|------------------------------------------|---------------------------------|--------------------------------------------|-------------------------------|-------------------|
| At April 1, 2024                                  |                                               |                                       |                                    |                                          |                                 |                                            |                               |                   |
| Cost                                              | 1,246,851                                     | 615,987                               | 1,245,921                          | 147,112                                  | 818,629                         | 284,758                                    | 15,444                        | 4,374,702         |
| Accumulated depreciation<br>and impairment losses | 232,569                                       | 434,617                               | 927,279                            | 114,894                                  | 559,193                         | 89,532                                     | 6,440                         | 2,364,524         |
| Net book amount                                   | 1,014,282                                     | 181,370                               | 318,642                            | 32,218                                   | 259,436                         | 195,226                                    | 9,004                         | 2,010,178         |
| Year ended March 31, 2025                         |                                               |                                       |                                    |                                          |                                 |                                            |                               |                   |
| Opening net book amount                           | 1,014,282                                     | 181,370                               | 318,642                            | 32,218                                   | 259,436                         | 195,226                                    | 9,004                         | 2,010,178         |
| Exchange adjustment                               | (6,871)                                       | (844)                                 | (773)                              | (187)                                    | (1,253)                         | (599)                                      | (888)                         | (11,415)          |
| Deemed disposal of<br>a subsidiary                | -                                             | -                                     | (1)                                | (1)                                      | (81)                            | -                                          | -                             | (83)              |
| Additions                                         | 20,470                                        | 21,738                                | 106,141                            | 2,282                                    | 116,661                         | 155,167                                    | 4,181                         | 426,640           |
| Transfers                                         | 22,039                                        | 12,905                                | 47,961                             | 3,457                                    | 10,900                          | -                                          | 73                            | 97,335            |
| Disposals                                         | (2,697)                                       | (2,073)                               | (23,047)                           | (469)                                    | (6,681)                         | (7,237)                                    | (310)                         | (42,514)          |
| Depreciation                                      | (36,198)                                      | (51,808)                              | (138,082)                          | (8,644)                                  | (110,988)                       | (105,282)                                  | (2,859)                       | (453,861)         |
| Closing net book amount                           | 1,011,025                                     | 161,288                               | 310,841                            | 28,656                                   | 267,994                         | 237,275                                    | 9,201                         | 2,026,280         |
| At March 31, 2025                                 |                                               |                                       |                                    |                                          |                                 |                                            |                               |                   |
| Cost                                              | 1,278,093                                     | 634,513                               | 1,226,414                          | 145,104                                  | 854,152                         | 410,302                                    | 17,232                        | 4,565,810         |
| Accumulated depreciation<br>and impairment losses | 267,068                                       | 473,225                               | 915,573                            | 116,448                                  | 586,158                         | 173,027                                    | 8,031                         | 2,539,530         |
| Net book amount                                   | 1,011,025                                     | 161,288                               | 310,841                            | 28,656                                   | 267,994                         | 237,275                                    | 9,201                         | 2,026,280         |
| Year ended March 31, 2026                         |                                               |                                       |                                    |                                          |                                 |                                            |                               |                   |
| Opening net book amount                           | <b>1,011,025</b>                              | <b>161,288</b>                        | <b>310,841</b>                     | <b>28,656</b>                            | <b>267,994</b>                  | <b>237,275</b>                             | <b>9,201</b>                  | <b>2,026,280</b>  |
| Exchange adjustment                               | <b>35,078</b>                                 | <b>1,605</b>                          | <b>3,142</b>                       | <b>9</b>                                 | <b>7,521</b>                    | <b>2,710</b>                               | <b>811</b>                    | <b>50,876</b>     |
| Additions                                         | <b>9,452</b>                                  | <b>21,113</b>                         | <b>139,556</b>                     | <b>1,301</b>                             | <b>144,000</b>                  | <b>401,891</b>                             | <b>6,418</b>                  | <b>723,731</b>    |
| Transfers                                         | <b>32,192</b>                                 | <b>35,253</b>                         | <b>47,708</b>                      | <b>2,851</b>                             | <b>5,911</b>                    | <b>337</b>                                 | <b>137</b>                    | <b>124,389</b>    |
| Disposals                                         | <b>(35,591)</b>                               | <b>(629)</b>                          | <b>(9,375)</b>                     | <b>(1,283)</b>                           | <b>(8,698)</b>                  | <b>(22,496)</b>                            | <b>(1,115)</b>                | <b>(79,187)</b>   |
| Depreciation                                      | <b>(38,133)</b>                               | <b>(55,799)</b>                       | <b>(149,382)</b>                   | <b>(7,784)</b>                           | <b>(121,631)</b>                | <b>(145,656)</b>                           | <b>(3,507)</b>                | <b>(521,892)</b>  |
| Impairment and write-off                          | <b>-</b>                                      | <b>(17)</b>                           | <b>-</b>                           | <b>-</b>                                 | <b>(267)</b>                    | <b>-</b>                                   | <b>-</b>                      | <b>(284)</b>      |
| Closing net book amount                           | <b>1,014,023</b>                              | <b>162,814</b>                        | <b>342,490</b>                     | <b>23,750</b>                            | <b>294,830</b>                  | <b>474,061</b>                             | <b>11,945</b>                 | <b>2,323,913</b>  |
| At March 31, 2026                                 |                                               |                                       |                                    |                                          |                                 |                                            |                               |                   |
| Cost                                              | <b>1,317,642</b>                              | <b>696,225</b>                        | <b>1,373,593</b>                   | <b>132,225</b>                           | <b>885,842</b>                  | <b>745,312</b>                             | <b>21,130</b>                 | <b>5,171,969</b>  |
| Accumulated depreciation<br>and impairment losses | <b>303,619</b>                                | <b>533,411</b>                        | <b>1,031,103</b>                   | <b>108,475</b>                           | <b>591,012</b>                  | <b>271,251</b>                             | <b>9,185</b>                  | <b>2,848,056</b>  |
| Net book amount                                   | <b>1,014,023</b>                              | <b>162,814</b>                        | <b>342,490</b>                     | <b>23,750</b>                            | <b>294,830</b>                  | <b>474,061</b>                             | <b>11,945</b>                 | <b>2,323,913</b>  |

Note: At March 31, 2026, included in "Freehold land and buildings" are the building portion of the investment properties of US\$97,205,000 (2025: US\$95,578,000) where the right-of-use assets for the leasehold land portion of US\$97,802,000 (2025: US\$96,255,000) are included in "Right-of-use assets" (Note 12). The fair value of the investment properties at March 31, 2026 is US\$271,932,000 (2025: US\$277,449,000).



# Notes to the financial statements

For the year ended March 31, 2026

## 12 Right-of-use assets

### Accounting policy

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Some property leases contain variable payment terms that are linked to sales generated from stores. There is a wide range of sales percentages applied. Variable payment terms are used for a variety of reasons, including minimizing the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognized as a profit or loss in the period in which the event or condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with leases of low-value assets and short-term leases are recognized on a straight-line basis as an expense in the consolidated income statement. Low-value assets mainly comprise office equipments.

The Group's right-of-use assets include interest in leasehold land and building and prepaid lease payments for leasehold land. Prepaid lease payments represent the payments for land use rights held by the Group in the Chinese Mainland under term leases between 10 to 50 years. Rental contracts for leasehold land and building are typically made for fixed periods of 1 to 25 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease liabilities are presented within "Other payables and accruals" (for current portion) and "Other non-current liabilities" (for non-current portion) in the consolidated balance sheet.

|                                 | 2026<br>US\$'000 | 2025<br>US\$'000 |
|---------------------------------|------------------|------------------|
| At the beginning of the year    | 592,340          | 571,305          |
| Exchange adjustment             | 9,501            | (5,430)          |
| Deemed disposal of a subsidiary | —                | (305)            |
| Additions                       | 193,077          | 180,908          |
| Disposals                       | (27,702)         | (38,173)         |
| Depreciation                    | (118,381)        | (115,965)        |
| At the end of the year          | 648,835          | 592,340          |

### 13 Construction-in-progress

#### Accounting policy

Construction-in-progress represents buildings, plant and machinery and internal use software under construction and pending installation and is stated at historical cost, less any accumulated impairment losses. Historical cost comprises all direct and indirect costs of acquisition or construction or installation of buildings, plant and machinery or internal use software as well as interest expenses and exchange differences on the related funds borrowed during the construction, installation and testing periods and prior to the date when the assets were available for use. Assets that are not yet available for use are not subject to depreciation or amortization and are tested annually for impairment. On completion, the carrying values of the buildings, plant and machinery or internal use software are transferred from construction-in-progress to property, plant and equipment or intangible assets.

The assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Gain or loss on disposal of construction-in-progress is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized within "Other operating income/(expenses) — net" in the consolidated income statement.

|                                 | Property, plant and equipment |                  | Intangible assets |                  | Total            |                  |
|---------------------------------|-------------------------------|------------------|-------------------|------------------|------------------|------------------|
|                                 | 2026<br>US\$'000              | 2025<br>US\$'000 | 2026<br>US\$'000  | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 |
| At the beginning of the year    | 67,739                        | 80,042           | 214,570           | 257,606          | 282,309          | 337,648          |
| Exchange adjustment             | 651                           | (110)            | 7,111             | (1,039)          | 7,762            | (1,149)          |
| Disposals                       | (570)                         | (465)            | -                 | (70)             | (570)            | (535)            |
| Additions                       | 295,151                       | 85,607           | 307,094           | 227,892          | 602,245          | 313,499          |
| Transfers                       | (124,389)                     | (97,335)         | (218,027)         | (269,819)        | (342,416)        | (367,154)        |
| Impairment and write-off (Note) | -                             | -                | (3,258)           | -                | (3,258)          | -                |
| At the end of the year          | 238,582                       | 67,739           | 307,490           | 214,570          | 546,072          | 282,309          |

Note: During the year ended March 31, 2026, impairment and write-off of construction-in-progress of US\$3,258,000 (2025: nil) were recognized as the carrying amount of the assets exceeded their recoverable amount.

# Notes to the financial statements

For the year ended March 31, 2026

## 14 Intangible assets

### Accounting policy

#### (a) Goodwill

Goodwill represents the excess of the consideration of an acquisition transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the Group's interests in the fair value of the acquiree's identifiable assets acquired and liabilities assumed at the acquisition date. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in interests in associates and joint ventures.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

#### (b) Trademarks and trade names

Separately acquired trademarks and trade names are shown at historical cost. Trademarks and trade names acquired in a business combination are recognized at fair value at the acquisition date.

Trademarks and trade names that have an indefinite useful life are tested annually for impairment and carried at cost less accumulated impairment losses. They are considered to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows. Trademarks and trade names that have a definite useful life are carried at cost less accumulated amortization.

#### (c) Internal use software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Development costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Costs associated with maintaining computer software are recognized as an expense as incurred.

Acquired computer software licenses costs and computer software development costs are carried at cost less accumulated amortization.

## 14 Intangible assets *(continued)*

### Accounting policy *(continued)*

#### **(d) Customer relationships**

Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relationships have a definite useful life and are carried at cost less accumulated amortization.

#### **(e) Patents and technology**

Expenditure on acquired patents and technology is capitalized at historical cost upon acquisition and is carried at cost less accumulated amortization.

#### **(f) Exclusive rights**

An exclusive right acquired in a business combination is recognized at fair value at the acquisition date. An exclusive right has a definite useful life and is carried at cost less accumulated amortization.

The Group amortizes intangible assets with definite useful lives using the straight-line method over the following periods:

|                            |                        |
|----------------------------|------------------------|
| Trademarks and trade names | not more than 10 years |
| Internal use software      | not more than 8 years  |
| Customer relationships     | not more than 15 years |
| Patents and technology     | not more than 10 years |
| Exclusive rights           | not more than 15 years |

#### **Impairment of intangible assets with definite useful lives**

Intangible assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

# Notes to the financial statements

For the year ended March 31, 2026

## 14 Intangible assets (continued)

(a)

|                                                   | Goodwill<br>(b)<br>US\$'000 | Trademarks<br>and trade<br>names<br>(b)<br>US\$'000 | Internal<br>use<br>software<br>US\$'000 | Customer<br>relationships<br>US\$'000 | Patents and<br>technology<br>(c)<br>US\$'000 | Exclusive<br>rights<br>US\$'000 | Total<br>US\$'000 |
|---------------------------------------------------|-----------------------------|-----------------------------------------------------|-----------------------------------------|---------------------------------------|----------------------------------------------|---------------------------------|-------------------|
| At April 1, 2024                                  |                             |                                                     |                                         |                                       |                                              |                                 |                   |
| Cost                                              | 4,904,275                   | 1,332,817                                           | 2,411,980                               | 1,538,011                             | 4,337,870                                    | 52,741                          | 14,577,694        |
| Accumulated amortization<br>and impairment losses | -                           | 43,538                                              | 1,804,223                               | 1,238,263                             | 3,128,792                                    | 17,471                          | 6,232,287         |
| Net book amount                                   | 4,904,275                   | 1,289,279                                           | 607,757                                 | 299,748                               | 1,209,078                                    | 35,270                          | 8,345,407         |
| Year ended March 31, 2025                         |                             |                                                     |                                         |                                       |                                              |                                 |                   |
| Opening net book<br>amount                        | 4,904,275                   | 1,289,279                                           | 607,757                                 | 299,748                               | 1,209,078                                    | 35,270                          | 8,345,407         |
| Exchange adjustment                               | (57,137)                    | (470)                                               | (154)                                   | (350)                                 | (176)                                        | (135)                           | (58,422)          |
| Acquisition of businesses                         | 4,034                       | -                                                   | -                                       | -                                     | -                                            | -                               | 4,034             |
| Additions                                         | -                           | -                                                   | 13,009                                  | -                                     | 634,533                                      | -                               | 647,542           |
| Transfers                                         | -                           | -                                                   | 216,434                                 | -                                     | 53,385                                       | -                               | 269,819           |
| Disposals                                         | -                           | -                                                   | (2,555)                                 | -                                     | (399)                                        | -                               | (2,954)           |
| Amortization                                      | -                           | (4,201)                                             | (250,329)                               | (110,912)                             | (480,156)                                    | (3,711)                         | (849,309)         |
| Impairment and write-off<br>(Note)                | -                           | -                                                   | -                                       | -                                     | (123,140)                                    | -                               | (123,140)         |
| Closing net book amount                           | 4,851,172                   | 1,284,608                                           | 584,162                                 | 188,486                               | 1,293,125                                    | 31,424                          | 8,232,977         |
| At March 31, 2025                                 |                             |                                                     |                                         |                                       |                                              |                                 |                   |
| Cost                                              | 4,851,172                   | 1,332,603                                           | 2,609,841                               | 1,529,956                             | 4,979,273                                    | 52,502                          | 15,355,347        |
| Accumulated amortization<br>and impairment losses | -                           | 47,995                                              | 2,025,679                               | 1,341,470                             | 3,686,148                                    | 21,078                          | 7,122,370         |
| Net book amount                                   | 4,851,172                   | 1,284,608                                           | 584,162                                 | 188,486                               | 1,293,125                                    | 31,424                          | 8,232,977         |
| Year ended March 31, 2026                         |                             |                                                     |                                         |                                       |                                              |                                 |                   |
| Opening net book<br>amount                        | <b>4,851,172</b>            | <b>1,284,608</b>                                    | <b>584,162</b>                          | <b>188,486</b>                        | <b>1,293,125</b>                             | <b>31,424</b>                   | <b>8,232,977</b>  |
| Exchange adjustment                               | <b>82,125</b>               | <b>2,903</b>                                        | <b>23,228</b>                           | <b>(61)</b>                           | <b>3,214</b>                                 | <b>1,399</b>                    | <b>112,808</b>    |
| Additions                                         | -                           | -                                                   | <b>16,577</b>                           | -                                     | <b>354,930</b>                               | -                               | <b>371,507</b>    |
| Transfers                                         | -                           | -                                                   | <b>215,333</b>                          | -                                     | <b>2,694</b>                                 | -                               | <b>218,027</b>    |
| Disposals                                         | -                           | -                                                   | <b>(2,300)</b>                          | -                                     | -                                            | -                               | <b>(2,300)</b>    |
| Amortization                                      | -                           | <b>(4,972)</b>                                      | <b>(221,944)</b>                        | <b>(58,383)</b>                       | <b>(488,939)</b>                             | <b>(3,720)</b>                  | <b>(777,958)</b>  |
| Impairment and write-off<br>(Note)                | -                           | -                                                   | <b>(21,853)</b>                         | -                                     | <b>(212,463)</b>                             | -                               | <b>(234,316)</b>  |
| Closing net book amount                           | <b>4,933,297</b>            | <b>1,282,539</b>                                    | <b>593,203</b>                          | <b>130,042</b>                        | <b>952,561</b>                               | <b>29,103</b>                   | <b>7,920,745</b>  |
| At March 31, 2026                                 |                             |                                                     |                                         |                                       |                                              |                                 |                   |
| Cost                                              | <b>4,933,297</b>            | <b>1,336,163</b>                                    | <b>2,841,137</b>                        | <b>1,536,053</b>                      | <b>5,323,283</b>                             | <b>53,246</b>                   | <b>16,023,179</b> |
| Accumulated amortization<br>and impairment losses | -                           | <b>53,624</b>                                       | <b>2,247,934</b>                        | <b>1,406,011</b>                      | <b>4,370,722</b>                             | <b>24,143</b>                   | <b>8,102,434</b>  |
| Net book amount                                   | <b>4,933,297</b>            | <b>1,282,539</b>                                    | <b>593,203</b>                          | <b>130,042</b>                        | <b>952,561</b>                               | <b>29,103</b>                   | <b>7,920,745</b>  |

Note: During the year ended March 31, 2026, impairment and write-off of intangible assets of US\$234,316,000 (2025: US\$123,140,000) were recognized as the carrying amount of the assets exceeded their recoverable amount.



## 14 Intangible assets (continued)

### (a) (continued)

Amortization of US\$457,225,000 (2025: US\$457,648,000), US\$5,947,000 (2025: US\$6,089,000), US\$249,912,000 (2025: US\$322,368,000) and US\$64,874,000 (2025: US\$63,204,000) are included in “Cost of sales”, “Selling and distribution expenses”, “Administrative expenses” and “Research and development expenses” in the consolidated income statement respectively.

The carrying amounts of goodwill and trademarks and trade names with indefinite useful lives are presented below:

|                                                            | China<br>US\$ million | AP<br>US\$ million | EMEA<br>US\$ million | AG<br>US\$ million | Total<br>US\$ million |
|------------------------------------------------------------|-----------------------|--------------------|----------------------|--------------------|-----------------------|
| At March 31, 2026                                          |                       |                    |                      |                    |                       |
| 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<br>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                                          |                       |                    |                      |                    |                       |
| 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<br>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.

### (b) Impairment tests for goodwill and intangible assets with indefinite useful lives

#### Accounting policy

Assets that have an indefinite useful life are tested annually for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows (CGUs).

# Notes to the financial statements

For the year ended March 31, 2026

## 14 Intangible assets (continued)

### (b) Impairment tests for goodwill and intangible assets with indefinite useful lives (continued)

#### Critical accounting estimates and judgments

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. The recoverable amounts of an asset or a CGU have been determined based on value-in-use calculations. These calculations require the use of estimates.

The value-in-use calculations use cash flow projection based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flows extrapolated using constant projection of cash flows beyond the five-year period. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the revenue growth rates, operating margins and discount rates with reference to the business and industry circumstances.

Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgment is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

The Group completed its annual impairment test for goodwill allocated to the Group's various CGUs by comparing their recoverable amounts to their carrying amounts at the reporting date. The recoverable amount of a CGU is determined based on value in use. These assessments use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flow of the CGU extrapolated using constant projection of cash flows beyond the five-year period. The estimated growth rates adopted do not exceed the long-term average growth rates for the businesses in which the CGU operates.

Future cash flows are discounted at the pre-tax rate of 13% to 14%, 14% to 16% and 18% for IDG, ISG and SSG respectively (2025: 13% to 14%, 14% to 17% and 18% respectively). The estimated compound annual growth rates of revenue used for value-in-use calculations under the five-year financial budgets period are as follows:

|       | 2026 |     |     | 2025 |     |     |
|-------|------|-----|-----|------|-----|-----|
|       | IDG  | ISG | SSG | IDG  | ISG | SSG |
| China | 1%   | 8%  | N/A | 3%   | 13% | N/A |
| AP    | 2%   | 12% | N/A | 2%   | 15% | N/A |
| EMEA  | 2%   | 7%  | N/A | 4%   | 8%  | N/A |
| AG    | 2%   | 13% | N/A | 3%   | 13% | N/A |
| SSG   | N/A  | N/A | 14% | N/A  | N/A | 9%  |

Management prepared the cash flow projections using key assumptions, including the revenue growth rates, operating margins and discount rates with reference to the business and industry circumstances for the purpose of goodwill impairment test. The discount rates are pre-tax and reflect specific risks relating to the relevant segments.

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).

The Group has performed a sensitivity analysis on key assumptions used for the annual impairment test for goodwill. Except for ISG's China and ISG's AP, a reasonably possible change in key assumptions used in the impairment test for goodwill would not cause any CGU's carrying amount to exceed its respective recoverable amount. At March 31, 2026, the recoverable amount for ISG's China and ISG's AP (calculated based on value in use) exceeded carrying value by US\$291 million (2025: US\$275 million) and US\$156 million (2025: US\$78 million) respectively. Had the forecasted compound annual growth rate of ISG's China and ISG's AP been 5.0 percentage point lower (2025: 4.7 percentage point lower) and 8.3 percentage point lower (2025: 4.0 percentage point lower) than management's estimates, its remaining headroom would be removed respectively.

- (c) At March 31, 2026, patents and technology of US\$109,350,000 (2025: US\$234,795,000) is under development.

## 15 Interests in associates and joint ventures

|                                                | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------------|------------------|------------------|
| Share of net assets                            |                  |                  |
| — Associates                                   | 154,204          | 208,737          |
| — Joint ventures                               | 57,070           | 62,945           |
|                                                | 211,274          | 271,682          |
| Loans to                                       |                  |                  |
| — A joint venture (a)                          | 55,676           | 44,022           |
| Interests in associates and joint ventures (b) | 266,950          | 315,704          |

Notes:

(a) The loan forms an integral part of the Group's equity investment in the joint venture and is recognized as such.

(b) At March 31, 2026 and 2025, there is no unrecognized share of losses, commitments and contingent liabilities.

The following is a list of the principal associates and joint ventures:

| Company name                                                                                 | Place of incorporation/<br>establishment | Interest held |       | Principal activities                                                 |
|----------------------------------------------------------------------------------------------|------------------------------------------|---------------|-------|----------------------------------------------------------------------|
|                                                                                              |                                          | 2026          | 2025  |                                                                      |
| Associates                                                                                   |                                          |               |       |                                                                      |
| 北京閃聯雲視信息技術有限公司<br>(Beijing Tivcloud Technologies Ltd.) (ii)                                  | Chinese Mainland                         | 23.7%         | 23.7% | Distribution and development of IT technology                        |
| 茄子技術控股有限公司<br>(SHAREit Technology Holdings Inc.)                                             | Cayman Islands                           | 37.3%         | 37.3% | Software development                                                 |
| 北京平安聯想智慧醫療信息技術有限公司<br>(Beijing Pingan Lenovo Healthcare Information Technology Limited) (ii) | Chinese Mainland                         | 25.4%         | 25.4% | Development of hospital and regional healthcare information system   |
| 北京聯想協同科技有限公司<br>(Beijing Lenovo Collaboration Technologies Company. Ltd) (ii)                | Chinese Mainland                         | 33.0%         | 33.0% | Distribution and development of IT technology                        |
| 天津聯博基業科技發展有限公司<br>(Tianjin Lianbo Foundation Technology Development Co., Limited) (ii)       | Chinese Mainland                         | 39.0%         | 39.0% | Distribution and development of IT technology                        |
| PCCW Network Services Limited                                                                | British Virgin Islands                   | 20.0%         | 20.0% | Investment holding                                                   |
| 鼎道智聯(北京)科技有限公司<br>(Ding (Beijing) Intelligent Technology Co. Ltd) (ii)                       | Chinese Mainland                         | 40.0%         | 40.0% | Distribution and development of IT technology, services and software |
| AleveR Robotics Limited (iii)                                                                | Cayman Islands                           | 12.4%         | 11.6% | Distribution and development of IT technology                        |
| Joint Ventures                                                                               |                                          |               |       |                                                                      |
| 聯想新視界(北京)科技有限公司<br>(Lenovo New Vision (Beijing) Technology Co., Limited) (ii)                | Chinese Mainland                         | 37.2%         | 37.7% | Software development                                                 |
| 深圳市浦瑞置業有限公司<br>(Shenzhen Purui Real Estate Co., Limited) (ii)                                | Chinese Mainland                         | 50.0%         | 50.0% | Commercial property operation and management                         |

Notes:

(i) Majority of the above associates and joint ventures operate principally in their respective places of incorporation or establishment.

(ii) The English name of the company incorporated in Chinese Mainland is a direct translation or transliteration of its Chinese registered name.

(iii) The Group holds 12.4% (2025: 11.6%) equity interest in AleveR Robotics Limited and is considered to have significant influence through its participation in the board of directors.

# Notes to the financial statements

For the year ended March 31, 2026

## 15 Interests in associates and joint ventures *(continued)*

The following sets out the aggregate amount of the Group's share of associates and joint ventures:

|                                   | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-----------------------------------|------------------|------------------|
| Share of losses of associates     | 937              | 3,264            |
| Share of losses of joint ventures | 13,725           | 16,714           |
|                                   | 14,662           | 19,978           |

## 16 Deferred income tax assets and liabilities

### Accounting policy

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### Critical accounting estimates and judgments

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred income tax assets are mainly recognized for temporary differences such as warranty provision, accrued sales rebates, bonus accruals, and other accrued expenses, and unused tax losses carried forward to the extent it is probable that future taxable profits will be available against which deductible temporary differences and the unused tax losses can be utilized, based on all available evidence. Recognition primarily involves judgment regarding the future financial performance of the particular legal entity or tax group in which the deferred income tax asset has been recognized. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred income tax assets will ultimately be realized, such as the existence of taxable temporary differences, group relief, tax planning strategies, and the periods in which estimated tax losses can be utilized. The carrying amount of deferred income tax assets and related financial models and budgets are reviewed at each balance sheet date, and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses, the asset balance will be reduced and the difference charged to the consolidated income statement.

## 16 Deferred income tax assets and liabilities (continued)

Deferred income tax is calculated in full on temporary differences under the liability method using the rates applicable in the respective jurisdictions.

Deferred income tax assets and liabilities are netted off when the taxes relate to the same tax authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated balance sheet:

|                                  | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------|------------------|------------------|
| Deferred income tax assets:      |                  |                  |
| Recoverable within 12 months     | 1,939,515        | 1,419,303        |
| Recoverable after 12 months      | 1,822,270        | 1,636,602        |
|                                  | 3,761,785        | 3,055,905        |
| Deferred income tax liabilities: |                  |                  |
| Settled after 12 months          | (310,638)        | (270,268)        |
| Net deferred income tax assets   | 3,451,147        | 2,785,637        |

The movements in the net deferred income tax assets are as follows:

|                                                        | 2026<br>US\$'000 | 2025<br>US\$'000 |
|--------------------------------------------------------|------------------|------------------|
| At the beginning of the year                           | 2,785,637        | 2,185,779        |
| Exchange adjustment                                    | 12,333           | (3,847)          |
| Credited to consolidated income statement (Note 6)     | 656,294          | 598,392          |
| Charged to other comprehensive income (Note 6)         | (301)            | (9)              |
| (Charged)/credited to share-based compensation reserve | (2,816)          | 5,322            |
| At the end of the year                                 | 3,451,147        | 2,785,637        |

(a) The movements in deferred income tax assets (prior to offsetting of balances within the same tax jurisdiction), analyzed by major component, during the year are as follows:

|                                                     | Provisions<br>and accruals<br>US\$'000 | Tax losses<br>US\$'000 | Tax<br>depreciation<br>allowance<br>US\$'000 | Deferred<br>revenue<br>US\$'000 | Share-<br>based<br>payment<br>US\$'000 | Lease<br>liabilities<br>US\$'000 | Total<br>US\$'000 |
|-----------------------------------------------------|----------------------------------------|------------------------|----------------------------------------------|---------------------------------|----------------------------------------|----------------------------------|-------------------|
| At April 1, 2024                                    | 615,412                                | 1,437,830              | 289,184                                      | 240,770                         | 35,169                                 | 62,549                           | 2,680,914         |
| Exchange adjustment                                 | 37,432                                 | (27,413)               | (19,350)                                     | (2,938)                         | (2,605)                                | 9,172                            | (5,702)           |
| Credited/(charged) to consolidated income statement | 136,508                                | (370,180)              | 907,917                                      | 13,747                          | (3,590)                                | (10,810)                         | 673,592           |
| Credited to share-based compensation reserve        | -                                      | -                      | -                                            | -                               | 5,322                                  | -                                | 5,322             |
| At March 31, 2025                                   | 789,352                                | 1,040,237              | 1,177,751                                    | 251,579                         | 34,296                                 | 60,911                           | 3,354,126         |
| Exchange adjustment                                 | (61,273)                               | 23,407                 | 23,402                                       | (11,091)                        | 2,664                                  | 5,617                            | (17,274)          |
| Credited/(charged) to consolidated income statement | 503,763                                | (109,697)              | 270,055                                      | 80,477                          | (5,598)                                | (169)                            | 738,831           |
| Charged to share-based compensation reserve         | -                                      | -                      | -                                            | -                               | (2,816)                                | -                                | (2,816)           |
| At March 31, 2026                                   | 1,231,842                              | 953,947                | 1,471,208                                    | 320,965                         | 28,546                                 | 66,359                           | 4,072,867         |

Deferred income tax assets are recognized for deductible temporary differences and tax losses carried forward to the extent that realization of the related tax benefit through the future taxable profits is probable.



# Notes to the financial statements

For the year ended March 31, 2026

## 16 Deferred income tax assets and liabilities (continued)

### (a) (continued)

At March 31, 2026, the Group did not recognize deferred income tax assets in respect of deductible temporary differences of US\$2,229,467,000 (2025: US\$2,777,429,000) and tax losses of US\$2,494,114,000 (2025: US\$3,229,464,000) that can be carried forward against future taxable income, of which, tax losses of US\$1,218,999,000 (2025: US\$1,959,261,000) can be carried forward indefinitely. The remaining balances of tax losses will expire as follows:

|                       | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-----------------------|------------------|------------------|
| Expiring in           |                  |                  |
| — 2025                | -                | 60,135           |
| — 2026                | 29,711           | 37,580           |
| — 2027                | 136,988          | 166,810          |
| — 2028                | 248,184          | 294,189          |
| — 2029                | 250,521          | 213,267          |
| — 2030                | 364,869          | 431,924          |
| — 2031                | 203,722          | -                |
| — 2032                | 40,616           | 2,712            |
| — 2033                | -                | 581              |
| — 2034                | -                | 395              |
| — 2035 and thereafter | 504              | 62,610           |
|                       | <b>1,275,115</b> | <b>1,270,203</b> |

### (b) The movements in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction), analyzed by major component, during the year are as follows:

|                                                     | Intangible<br>valuation<br>US\$'000 | Undistributed<br>earnings<br>US\$'000 | Property<br>valuation<br>US\$'000 | Accelerated<br>tax<br>depreciation<br>US\$'000 | Right-of-<br>use assets<br>US\$'000 | Others<br>US\$'000 | Total<br>US\$'000 |
|-----------------------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|------------------------------------------------|-------------------------------------|--------------------|-------------------|
| At April 1, 2024                                    | 62,716                              | 118,545                               | 3,842                             | 184,637                                        | 64,940                              | 60,455             | 495,135           |
| Exchange adjustment                                 | (2,839)                             | 300                                   | (2,050)                           | (5,983)                                        | 9,293                               | (576)              | (1,855)           |
| (Credited)/charged to consolidated income statement | (10,858)                            | 682                                   | -                                 | 103,578                                        | (15,117)                            | (3,085)            | 75,200            |
| Charged to other comprehensive income               | -                                   | -                                     | -                                 | -                                              | -                                   | 9                  | 9                 |
| At March 31, 2025                                   | <b>49,019</b>                       | <b>119,527</b>                        | <b>1,792</b>                      | <b>282,232</b>                                 | <b>59,116</b>                       | <b>56,803</b>      | <b>568,489</b>    |
| Exchange adjustment                                 | <b>(2,983)</b>                      | <b>(9,966)</b>                        | <b>1,109</b>                      | <b>(21,816)</b>                                | <b>5,450</b>                        | <b>(1,401)</b>     | <b>(29,607)</b>   |
| (Credited)/charged to consolidated income statement | <b>(5,975)</b>                      | <b>27,162</b>                         | <b>(2,901)</b>                    | <b>32,928</b>                                  | <b>(10,989)</b>                     | <b>42,312</b>      | <b>82,537</b>     |
| Charged to other comprehensive income               | -                                   | -                                     | -                                 | -                                              | -                                   | 301                | 301               |
| At March 31, 2026                                   | <b>40,061</b>                       | <b>136,723</b>                        | <b>-</b>                          | <b>293,344</b>                                 | <b>53,577</b>                       | <b>98,015</b>      | <b>621,720</b>    |

## 17 Financial assets

### (a) Financial assets at FVPL

|                                                | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------------|------------------|------------------|
| At the beginning of the year                   | 1,464,384        | 1,393,666        |
| Exchange adjustment                            | 69,532           | (6,568)          |
| Fair value change recognized in profit or loss | 330,266          | 59,552           |
| Additions                                      | 284,028          | 155,775          |
| Disposals                                      | (117,709)        | (138,041)        |
| At the end of the year                         | 2,030,501        | 1,464,384        |
| Listed equity securities:                      |                  |                  |
| — In Hong Kong S.A.R. of China                 | 203,243          | 26,910           |
| — Outside Hong Kong S.A.R. of China            | 538,384          | 236,885          |
|                                                | 741,627          | 263,795          |
| Unlisted equity securities                     | 1,288,874        | 1,200,589        |
|                                                | 2,030,501        | 1,464,384        |

### (b) Financial assets at FVOCI

|                                                            | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------------------------|------------------|------------------|
| At the beginning of the year                               | 45,382           | 55,973           |
| Exchange adjustment                                        | 1,230            | 755              |
| Fair value change recognized in other comprehensive income | 3,036            | (11,360)         |
| Additions                                                  | -                | 14               |
| At the end of the year                                     | 49,648           | 45,382           |
| Listed equity securities:                                  |                  |                  |
| — In Hong Kong S.A.R. of China                             | 4,055            | 5,389            |
| — Outside Hong Kong S.A.R. of China                        | 30,160           | 25,724           |
|                                                            | 34,215           | 31,113           |
| Unlisted equity securities                                 | 15,433           | 14,269           |
|                                                            | 49,648           | 45,382           |

# Notes to the financial statements

For the year ended March 31, 2026

## 18 Inventories

### Accounting policy

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average basis. The cost of finished goods (except for trading products) and work-in-progress comprises direct materials, direct labour and an attributable proportion of production overheads. For trading products, cost represents invoiced value on purchases, less purchase returns and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

|                                    | 2026<br>US\$'000 | 2025<br>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        |

## 19 Trade, lease and notes receivables

### Accounting policy

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Majority of other receivables are amounts due from subcontractors for components sold in the ordinary course of business. Trade receivables are recognized initially at transaction price that is unconditional unless they contain significant financing components, when they are recognized at fair value, and subsequently measured at FVOCI, less loss allowance.

For trade receivables, the Group applies the simplified approach required by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Impairment losses on trade receivables are recognized in the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Leases for which the Group is a lessor are classified as finance or operating leases, details of which are set out in Note 3(d) in accounting policy.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Lease income from operating leases are recognized as receivables on a straight-line basis over the lease term.

For lease receivables, the Group applies the simplified approach required by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the expected credit losses, lease receivables have been grouped based on shared credit risk characteristics and the internal credit rating. Impairment losses on lease receivables are recognized in the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

## 19 Trade, lease and notes receivables (continued)

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

|                       | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-----------------------|------------------|------------------|
| Trade receivables     | 14,134,149       | 10,257,738       |
| Lease receivables (b) | 308,663          | 188,330          |
| Notes receivable (d)  | 59,926           | 60,542           |
|                       | 14,502,738       | 10,506,610       |

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<br>US\$'000 | 2025<br>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<br>US\$'000 | 2025<br>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          |

# Notes to the financial statements

For the year ended March 31, 2026

## 19 Trade, lease and notes receivables (continued)

- (b) The Group entered into lease arrangements as a lessor primarily for computers and servers. The average terms of leases entered into usually range from 1 to 6 years (2025: 1 to 6 years). For the year ended March 31, 2026, the increase in finance lease receivables was mainly attributable to growth in finance lease activities during the year.

Details of lease receivables are as follows:

|                                                    | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------------------------|------------------|------------------|
| Lease receivables comprise:                        |                  |                  |
| Within 1 year                                      | 326,155          | 192,233          |
| Over 1 to 2 years                                  | 134,546          | 100,838          |
| Over 2 to 3 years                                  | 87,292           | 54,030           |
| Over 3 to 4 years                                  | 35,349           | 28,813           |
| Over 4 to 5 years                                  | 5,612            | 6,398            |
| Over 5 years                                       | –                | 1,948            |
|                                                    | 588,954          | 384,260          |
| Unguaranteed residual values                       | 34,138           | 22,171           |
| Gross investment in the lease                      | 623,092          | 406,431          |
| Less: unearned finance income                      | (70,674)         | (44,689)         |
| Present value of minimum lease payment             | 552,418          | 361,742          |
| Less: loss allowance                               | (15,095)         | (2,425)          |
|                                                    | 537,323          | 359,317          |
| Analyzed as:                                       |                  |                  |
| Current                                            | 308,663          | 188,330          |
| Non-current (included in other non-current assets) | 228,660          | 170,987          |
| At the end of the year                             | 537,323          | 359,317          |

## 19 Trade, lease and notes receivables (continued)

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

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

Note: 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).

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

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

|                   | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-------------------|------------------|------------------|
| Deposits          | <b>36,037</b>    | 26,779           |
| Other receivables | <b>5,744,849</b> | 2,874,521        |
| Prepayments       | <b>1,648,896</b> | 1,322,358        |
|                   | <b>7,429,782</b> | 4,223,658        |

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

(f) The carrying amounts of trade, lease and notes receivables, deposits and other receivables approximate their fair values. The maximum exposure to credit risk at the balance sheet date is the fair value of each class of receivable mentioned above.



# Notes to the financial statements

For the year ended March 31, 2026

## 20 Bank deposits and cash and cash equivalents

### Accounting policy

For the purposes of the consolidated cash flow statement, cash and cash equivalents mainly comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

Bank balances subjected to restrictions that result in such balances would no longer meet the definition of cash are presented as restricted bank balances in the consolidated balance sheet.

|                                                    | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------------------------|------------------|------------------|
| Bank deposits                                      |                  |                  |
| — original maturity between three to twelve months | 16,398           | 31,461           |
| — restricted bank balances                         | 79,971           | 57,146           |
|                                                    | 96,369           | 88,607           |
| Cash and cash equivalents                          |                  |                  |
| — cash at bank and in hand                         | 3,658,162        | 3,234,351        |
| — money market funds                               | 1,229,000        | 1,493,773        |
|                                                    | 4,887,162        | 4,728,124        |
|                                                    | 4,983,531        | 4,816,731        |
| Maximum exposure to credit risk                    | 4,983,531        | 4,816,731        |
| Effective annual interest rates                    | 0%–14.75%        | 0%–14.25%        |

## 21 Trade and notes payables

### Accounting policy

Trade and notes payables are obligations to pay for components or services that have been acquired in the ordinary course of business from suppliers. Trade and notes payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Trade and notes payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

The Group has established supplier finance arrangements with several financial institutions, in collaboration with its suppliers, to facilitate efficient payment processing of supplier invoices. These arrangements enable suppliers and subcontractors to receive either on-time or early payment from the related invoice due date, providing them with improved liquidity and cash flow management. At the same time, the Group benefits from a higher degree of flexibility in managing its liquidity. In determining whether the liabilities to the financial institutions under these arrangements are presented separately from trade and notes payables, and other payables (Note 22) in the consolidated balance sheet, management considers whether the nature and function of these liabilities are substantially different from trade and notes payables, and other payables. The Group classifies financial liabilities that arise from supplier finance arrangements within trade and notes payables, and other payables in the consolidated balance sheet. For the purpose of presenting consolidated cash flow statement, cash flow related to the liabilities arising from supplier finance arrangements that are classified as trade and notes payables, and other payables are still part of the working capital used in the Group's principal revenue generating activities and presented as arising from operating activities.

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

|                | 2026<br>US\$'000 | 2025<br>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<br>US\$'000 | 2025<br>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        |

(b) At March 31, 2026, certain balances amounted to US\$103,692,000 and US\$3,717,418,000 (2025: US\$111,331,000 and US\$3,275,421,000) are under supplier finance arrangements and included in trade payables and notes payable, respectively, of which suppliers have already received payment from the relevant financial institutions. The range of payment due dates for such supplier finance arrangements are 50 to 130 days (2025: 60 to 145 days) after the invoice date, which is similar with the range of payment due dates for comparable trade and notes payables that are not part of the supplier finance arrangements.

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

(d) The carrying amounts of trade and notes payables approximate their fair values.

# Notes to the financial statements

For the year ended March 31, 2026

## 22 Other payables and accruals

### Accounting policy

Other payables and accruals mainly comprise the obligations to pay for finished goods and services that have been acquired in the ordinary course of business from subcontractors.

Allowance for billing adjustments relates primarily to allowances for future volume discounts, price protection, rebates, and customer sales returns, details of which are set out in Note 3.

The potential cash payments related to put options issued by the Group over the equity of a subsidiary are accounted for as financial liabilities. The amount that may become payable under the option on exercise is initially recognized at present value of redemption amount as a written put option liability with a corresponding charge directly to equity. A written put option liability is subsequently 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 option expires unexercised, the written put option liability is derecognized with a corresponding adjustment to equity.

Details of other payables and accruals are as follows:

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

Notes:

- (a) The carrying amounts of other payables and accruals approximate their fair values.
- (b) (i) 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.
- (ii) 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\$297 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.

## 22 Other payables and accruals *(continued)*

Notes: *(continued)*

(b) *(continued)*

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.

- (c) At March 31, 2026, certain balances amounted to US\$631,378,000 (2025: US\$1,180,060,000) are under supplier finance arrangements and included in other payables, of which subcontractors have already received payment from the relevant financial institutions. The range of payment due dates for such supplier finance arrangements are 50 to 130 days (2025: 60 to 145 days) after the invoice date, which is similar with the range of payment due dates for comparable other payables that are not part of the supplier finance arrangements.

## 23 Provisions

### Accounting policy

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

#### (a) Warranty provision

The Group records warranty liabilities at the time of sale for the estimated costs that will be incurred under its basic limited warranty. The specific warranty terms and conditions vary depending upon the product and the country in which it was sold, but generally includes technical support, repair parts and labor associated with warranty repair and service actions. The period ranges from one to three years. The estimation of warranty liabilities involves judgment, including assumptions on historical and anticipated rates of warranty claims on those units, and cost per claim to satisfy our warranty obligation, which are subject to uncertainty. The Group reevaluates its estimates on a quarterly basis to assess the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

#### (b) Other provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The measurement of these provisions involves judgment, particularly in estimating the timing and amount of expected outflows, and is subject to uncertainty. Restructuring costs provision comprises lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

### Critical accounting estimates and judgments

Warranty provision is based on the estimated cost of product warranties when revenue is recognized. Factors that affect the Group's warranty liability include the number of sold units currently under warranty, historical and anticipated rates of warranty claims on those units, and cost per claim to satisfy our warranty obligation. The estimation of warranty provision involves judgment and is subject to uncertainty, and actual outcomes may differ from these estimates. The estimation basis is reviewed on an on-going basis and revised where appropriate. Certain of these costs are reimbursable from the suppliers in accordance with the terms of relevant arrangements with the suppliers. These amounts are recognized as a separate asset, to the extent of the amount of the provision made, when it is virtually certain that reimbursement will be received if the Group settles the obligation.

# Notes to the financial statements

For the year ended March 31, 2026

## 23 Provisions (continued)

The components of provisions of the Group are as follows:

|                                                         | Warranty<br>US\$'000 | Environmental<br>restoration<br>US\$'000 | Restructuring<br>US\$'000 | Total<br>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                            | <b>970,689</b>       | <b>26,531</b>                            | <b>37,932</b>             | <b>1,035,152</b>  |
| Exchange adjustment                                     | <b>9,333</b>         | <b>(866)</b>                             | <b>709</b>                | <b>9,176</b>      |
| Provisions made                                         | <b>851,276</b>       | <b>26,035</b>                            | <b>54,783</b>             | <b>932,094</b>    |
| Amounts utilized                                        | <b>(776,622)</b>     | <b>(23,854)</b>                          | <b>(38,231)</b>           | <b>(838,707)</b>  |
|                                                         | <b>1,054,676</b>     | <b>27,846</b>                            | <b>55,193</b>             | <b>1,137,715</b>  |
| Long-term portion classified as non-current liabilities | <b>(169,547)</b>     | <b>(23,100)</b>                          | <b>–</b>                  | <b>(192,647)</b>  |
| At the end of the year                                  | <b>885,129</b>       | <b>4,746</b>                             | <b>55,193</b>             | <b>945,068</b>    |

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.

## 24 Borrowings

### Accounting policy

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless, at the balance sheet date, the Group has a right to defer settlement of the liability for at least 12 months after the balance sheet date.

|                         | 2026<br>US\$'000 | 2025<br>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).



# Notes to the financial statements

For the year ended March 31, 2026

## 24 Borrowings (continued)

Notes: (continued)

(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       |
|                                 |                              |           |                         |               | <b>2,052,709</b> | 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     |
|                      |                              |         |                       |              | <b>2,407,651</b> | 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.

## 24 Borrowings (continued)

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

|                   | 2026<br>US\$'000 | 2025<br>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        |
|                   | <b>4,741,038</b> | 5,368,158        |

The fair values of the notes and convertible bonds at March 31, 2026 were US\$2,066 million and US\$2,664 million respectively (2025: US\$3,013 million and US\$2,681 million respectively). The carrying amounts of other borrowings are either at fair value or approximate their fair values as the impact of discounting is not significant.

Total bank facilities of the Group at March 31, 2026 and 2025 are as follows:

|                                    | Total available amounts |                  | Utilized amounts  |                  |
|------------------------------------|-------------------------|------------------|-------------------|------------------|
|                                    | 2026<br>US\$'000        | 2025<br>US\$'000 | 2026<br>US\$'000  | 2025<br>US\$'000 |
| Revolving loans                    | 2,000,000               | 2,850,000        | –                 | –                |
| Short-term money market facilities | 3,487,934               | 3,193,522        | 269,458           | 62,433           |
| Forward foreign exchange contracts | 17,678,125              | 16,008,524       | 17,650,549        | 15,982,263       |
| Trade lines                        | 7,225,140               | 6,199,943        | 4,929,840         | 4,369,806        |
|                                    | <b>30,391,199</b>       | 28,251,989       | <b>22,849,847</b> | 20,414,502       |

All borrowings are unsecured and the effective annual interest rates at March 31, 2026 and 2025 are as follows:

|                            | United States dollar |             |
|----------------------------|----------------------|-------------|
|                            | 2026                 | 2025        |
| Short-term loans and notes | 1.24%-6.63%          | 0.99%-6.63% |
| Convertible bonds          | 5.65%-6.07%          | 5.65%-6.07% |

# Notes to the financial statements

For the year ended March 31, 2026

## 25 Derivative financial liabilities

### Accounting policy

Derivative financial liabilities include derivatives relate to foreign currency forward contracts (see Note 29 for accounting policy) and warrants issued by the Company.

Warrants issued by the Company are classified as financial liabilities at fair value through profit or loss as the warrants give the Company a choice over how it is settled upon the exercise of subscription right of the warrants. The warrants are subsequently re-measured at each balance sheet date, with any resulting gain or loss recognized in the consolidated income statement. When determining the classification of warrants as current or non-current, the Group considers the date at which the holders could demand settlement. Warrants that can be exercised within 12 months after the balance sheet date are classified as current at balance sheet date.

|                                               | 2026<br>US\$'000 | 2025<br>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 FVPL 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 valuation methodology and inputs used are disclosed in Note 30(d).

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).

Details of derivatives relate to foreign currency forward contracts (included in derivative financial instruments) are disclosed in Notes 29 and 30.

## 26 Other non-current liabilities

### Accounting policy

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized within “Other operating income/(expenses) — net” in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in “Other non-current liabilities” as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

Details of other non-current liabilities are as follows:

|                                                          | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------------------------------|------------------|------------------|
| Deferred consideration (a)                               | 25,072           | 25,072           |
| Lease liabilities                                        | 305,397          | 269,828          |
| Environmental restoration (Note 23)                      | 23,100           | 23,159           |
| Government incentives and grants received in advance (b) | 133,731          | 98,350           |
| Others                                                   | 279,620          | 301,375          |
|                                                          | <b>766,920</b>   | 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.

# Notes to the financial statements

For the year ended March 31, 2026

## 27 Retirement benefit obligations

### Accounting policy

#### (a) Pension obligations

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations.

A defined benefit plan is a pension plan which defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Significant portion of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income or loss in the year in which they arise. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Certain defined benefit schemes require employees to contribute to reduce the cost of the benefits to the Group. Contributions from employees are linked to service and hence, the contributions reduce service cost. The Group attributes the contributions from employees to periods of service on a straight-line basis.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

#### (b) Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes, the largest being in the United States. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology similar to that for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income or loss in the year in which they arise. The obligations of these schemes in the United States are valued annually by independent qualified actuaries.

### Critical accounting estimates and judgments

Pension and other post-retirement benefit costs and obligations are dependent on various assumptions. The Group's major assumptions primarily relate to discount rate, expected return on assets, and salary growth. In determining the discount rate, the Group references market yields at the balance sheet date on high quality corporate bonds. The currency and term of the bonds are consistent with the currency and estimated term of the benefit obligations being valued. The expected return on plan assets is based on market expectations for returns over the life of the related assets and obligations. The salary growth assumptions reflect the Group's long-term actual experience and future and near-term outlook. Actual results that differ from the assumptions are generally recognized in the year they occur.

## 27 Retirement benefit obligations (continued)

|                                                        | 2026<br>US\$'000 | 2025<br>US\$'000 |
|--------------------------------------------------------|------------------|------------------|
| Pension obligation included in non-current liabilities |                  |                  |
| Pension benefits                                       | 174,385          | 191,561          |
| Post-employment medical benefits                       | 29,437           | 29,223           |
|                                                        | 203,822          | 220,784          |
| Expensed in consolidated income statement              |                  |                  |
| Pension benefits (Note 7)                              | 26,793           | 18,372           |
| Post-employment medical benefits                       | 1,618            | 1,562            |
|                                                        | 28,411           | 19,934           |
| Remeasurements for:                                    |                  |                  |
| Defined pension benefits                               | (11,788)         | (5,922)          |
| Post-employment medical benefits                       | 42               | 361              |
|                                                        | (11,746)         | (5,561)          |

The Group's largest pension liabilities are now in Germany. The Group operates a sectionalized plan that has both defined contribution and defined benefit features in Germany, including benefits based on a final pay formula. This plan is closed to new entrants. The defined benefit plan for Motorola Mobility in Germany does not have employees, but a large number of retirees and former employees with benefits fully vested but have yet to reach retirement age.

The Group continues to maintain significant pension liabilities in Japan, where a cash balance benefit is provided for substantially all employees.

In the US, the defined benefit plan is closed to new entrants, and now covers only less than 1% of employees. There is also a supplemental defined benefit plan that covers certain executives.

The Group also operates final salary defined benefit plans in a number of countries as a result of past acquisitions.

The Group's plans are valued by qualified actuaries annually using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise.

### (a) Pension benefits

The amounts recognized in the consolidated balance sheet are determined as follows:

|                                             | 2026<br>US\$'000 | 2025<br>US\$'000 |
|---------------------------------------------|------------------|------------------|
| Present value of funded obligations         | 446,741          | 444,455          |
| Fair value of plan assets                   | (395,446)        | (383,508)        |
| Deficit of funded plans                     | 51,295           | 60,947           |
| Present value of unfunded obligations       | 123,090          | 130,614          |
| Liability in the consolidated balance sheet | 174,385          | 191,561          |
| Representing:                               |                  |                  |
| Pension benefits obligation                 | 174,385          | 191,561          |



# Notes to the financial statements

For the year ended March 31, 2026

## 27 Retirement benefit obligations (continued)

### (a) Pension benefits (continued)

The principal actuarial assumptions used are as follows:

|                                    | 2026             | 2025      |
|------------------------------------|------------------|-----------|
| Discount rate                      | <b>1.1%-5.5%</b> | 1.1%-5.2% |
| Future salary increases            | <b>0%-5.0%</b>   | 0%-3.5%   |
| Future pension increases           | <b>0%-2.0%</b>   | 0%-2.0%   |
| Life expectancy for male aged 60   | <b>26</b>        | 26        |
| Life expectancy for female aged 60 | <b>29</b>        | 29        |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| 2026                | Change in assumption | Impact on defined benefit obligation |                         |
|---------------------|----------------------|--------------------------------------|-------------------------|
|                     |                      | Increase in assumption               | Decrease in assumption  |
| Discount rate       | <b>0.5%</b>          | <b>Decrease by 5.1%</b>              | <b>Increase by 5.6%</b> |
| Salary growth rate  | <b>0.5%</b>          | <b>Increase by 1.4%</b>              | <b>Decrease by 1.3%</b> |
| Pension growth rate | <b>0.5%</b>          | <b>Increase by 3.3%</b>              | <b>Decrease by 3.1%</b> |
| Life expectancy     | <b>1 year</b>        | <b>Increase by 1.0%</b>              | <b>Decrease by 1.3%</b> |

| 2025                | Change in assumption | Impact on defined benefit obligation |                        |
|---------------------|----------------------|--------------------------------------|------------------------|
|                     |                      | Increase in assumption               | Decrease in assumption |
| Discount rate       | 0.5%                 | Decrease by 5.4%                     | Increase by 5.9%       |
| Salary growth rate  | 0.5%                 | Increase by 0.8%                     | Decrease by 0.8%       |
| Pension growth rate | 0.5%                 | Increase by 3.5%                     | Decrease by 3.3%       |
| Life expectancy     | 1 year               | Increase by 1.1%                     | Decrease by 1.4%       |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the balance sheet date) has been applied as when calculating the pension liability recognized within the consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

## 27 Retirement benefit obligations (continued)

### (b) Post-employment medical benefits

The Group operates a number of post-employment medical benefit schemes, principally in the US. The method of accounting, assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes.

The US plan (Lenovo Future Health Account Plan) is currently an unfunded plan, and benefits to eligible retirees and dependents will be made through general assets.

As post-employment medical benefits plan made no agreements on future benefit level changes, the changes in future medical cost trend rates have no effect on the liabilities for post-employment medical benefits.

The liability recognized in the consolidated balance sheet of US\$29,437,000 (2025: US\$29,223,000) represents the present value of unfunded obligations.

### (c) Additional information on post-employment benefits (pension and medical)

Plan assets of the Group comprise:

|                                           | 2026               |                      |                   | 2025               |                      |                   |
|-------------------------------------------|--------------------|----------------------|-------------------|--------------------|----------------------|-------------------|
|                                           | Quoted<br>US\$'000 | Unquoted<br>US\$'000 | Total<br>US\$'000 | Quoted<br>US\$'000 | Unquoted<br>US\$'000 | Total<br>US\$'000 |
| Pension plan                              |                    |                      |                   |                    |                      |                   |
| Equity instruments                        |                    |                      |                   |                    |                      |                   |
| Information technology                    | 1,487              | -                    | 1,487             | 1,324              | -                    | 1,324             |
| Energy                                    | 302                | -                    | 302               | 254                | -                    | 254               |
| Manufacturing                             | 4,119              | -                    | 4,119             | 3,467              | -                    | 3,467             |
| Others                                    | 12,911             | -                    | 12,911            | 11,708             | -                    | 11,708            |
|                                           | 18,819             | -                    | 18,819            | 16,753             | -                    | 16,753            |
| Debt instruments                          |                    |                      |                   |                    |                      |                   |
| Government                                | 52,451             | -                    | 52,451            | 56,632             | -                    | 56,632            |
| Corporate bonds<br>(investment grade)     | 78,848             | -                    | 78,848            | 63,660             | -                    | 63,660            |
| Corporate bonds<br>(Non-investment grade) | 33,902             | -                    | 33,902            | 57,756             | -                    | 57,756            |
|                                           | 165,201            | -                    | 165,201           | 178,048            | -                    | 178,048           |
| Others                                    |                    |                      |                   |                    |                      |                   |
| Property                                  | -                  | 31,001               | 31,001            | -                  | 29,313               | 29,313            |
| Qualifying insurance policies             | -                  | 46,356               | 46,356            | -                  | 44,529               | 44,529            |
| Cash and cash equivalents                 | 12,176             | -                    | 12,176            | 10,410             | -                    | 10,410            |
| Investment funds                          | -                  | 99,045               | 99,045            | -                  | 83,317               | 83,317            |
| Structured bonds                          | -                  | 19,157               | 19,157            | -                  | 16,990               | 16,990            |
| Others                                    | -                  | 3,691                | 3,691             | -                  | 4,148                | 4,148             |
|                                           | 12,176             | 199,250              | 211,426           | 10,410             | 178,297              | 188,707           |
|                                           | 196,196            | 199,250              | 395,446           | 205,211            | 178,297              | 383,508           |

The long term strategic asset allocations of the plans are set and reviewed from time to time by the plans' trustees taking into account the membership, liability profile and the liquidity requirements of the plans.

The weighted average duration of the defined benefit obligation is 11.27 years (2025: 11.62 years).

# Notes to the financial statements

For the year ended March 31, 2026

## 27 Retirement benefit obligations (continued)

### (c) Additional information on post-employment benefits (pension and medical) (continued)

Expected maturity analysis of undiscounted pension and post-employment medical benefits:

|                                  | Less than<br>a year<br>US\$'000 | Between<br>1-2 years<br>US\$'000 | Between<br>2-5 years<br>US\$'000 | Over<br>5 years<br>US\$'000 | Total<br>US\$'000 |
|----------------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------------------|-------------------|
| At March 31, 2026                |                                 |                                  |                                  |                             |                   |
| Pension benefits                 | <b>34,242</b>                   | <b>33,086</b>                    | <b>100,320</b>                   | <b>780,799</b>              | <b>948,447</b>    |
| Post-employment medical benefits | <b>1,770</b>                    | <b>2,020</b>                     | <b>7,163</b>                     | <b>36,935</b>               | <b>47,888</b>     |
| Total                            | <b>36,012</b>                   | <b>35,106</b>                    | <b>107,483</b>                   | <b>817,734</b>              | <b>996,335</b>    |
| At March 31, 2025                |                                 |                                  |                                  |                             |                   |
| Pension benefits                 | 29,351                          | 32,673                           | 97,487                           | 731,011                     | 890,522           |
| Post-employment medical benefits | 1,718                           | 1,925                            | 6,887                            | 37,644                      | 48,174            |
| Total                            | 31,069                          | 34,598                           | 104,374                          | 768,655                     | 938,696           |

Pension and medical plan assets do not include any of the Company's ordinary shares or US real estate occupied by the Group (2025: nil).

Reconciliation of fair value of plan assets of the Group:

|                                    | Pension          |                  | Medical          |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 |
| Opening fair value                 | <b>383,508</b>   | 373,512          | -                | -                |
| Exchange adjustment                | <b>707</b>       | (459)            | -                | (15)             |
| Interest income                    | <b>13,768</b>    | 13,231           | <b>26</b>        | 38               |
| Remeasurements:                    |                  |                  |                  |                  |
| Experience loss                    | <b>(2,137)</b>   | (11,125)         | -                | -                |
| Contributions by the employer      | <b>13,916</b>    | 26,285           | <b>1,537</b>     | 1,276            |
| Contributions by plan participants | <b>2,110</b>     | 1,956            | -                | -                |
| Benefits paid                      | <b>(16,426)</b>  | (19,892)         | <b>(1,563)</b>   | (1,299)          |
| Closing fair value                 | <b>395,446</b>   | 383,508          | -                | -                |
| Actual return on plan assets       | <b>11,631</b>    | 2,106            | <b>26</b>        | 38               |

Contributions of US\$20,784,000 are estimated to be made for the year ending March 31, 2027.

## 27 Retirement benefit obligations (continued)

### (c) Additional information on post-employment benefits (pension and medical) (continued)

Reconciliation of movements in present value of defined benefit obligation of the Group:

|                                                     | Pension          |                  | Medical          |                  |
|-----------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                     | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 |
| Opening defined benefit obligation                  | 575,069          | 586,353          | 29,223           | 28,561           |
| Exchange adjustment                                 | 3,236            | (3,815)          | 91               | -                |
| Current service cost                                | 16,104           | 12,218           | 149              | 178              |
| Past service cost                                   | 5,642            | 337              | -                | -                |
| Interest cost                                       | 21,201           | 19,254           | 1,495            | 1,422            |
| Remeasurements:                                     |                  |                  |                  |                  |
| Loss/(gain) from changes in demographic assumptions | 938              | (33)             | -                | (55)             |
| (Gain)/loss from changes in financial assumptions   | (24,500)         | (21,455)         | 99               | 84               |
| Experience loss/(gain)                              | 9,637            | 4,441            | (57)             | 332              |
| Contributions by plan participants                  | 1,672            | 1,415            | -                | -                |
| Benefits paid                                       | (20,452)         | (23,440)         | (1,563)          | (1,299)          |
| Transfer                                            | (16,330)         | -                | -                | -                |
| Curtailment gain                                    | (2,386)          | (206)            | -                | -                |
| Closing defined benefit obligation                  | 569,831          | 575,069          | 29,437           | 29,223           |

During the year, benefits of US\$4,026,000 were settled directly by the Group (2025: US\$3,548,000).

Summary of pensions and post-retirement medical benefits of the Group:

|                                                      | 2026<br>US\$'000 | 2025<br>US\$'000 | 2024<br>US\$'000 | 2023<br>US\$'000 | 2022<br>US\$'000 |
|------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Present value of defined benefit obligation          | 599,268          | 604,292          | 614,914          | 624,468          | 750,069          |
| Fair value of plan assets                            | 395,446          | 383,508          | 373,512          | 367,224          | 409,527          |
| Deficit                                              | 203,822          | 220,784          | 241,402          | 257,244          | 340,542          |
| Actuarial losses/(gains) arising on plan assets      | 2,137            | 11,125           | (3,764)          | 35,788           | 17,780           |
| Actuarial (gains)/losses arising on plan liabilities | (13,883)         | (16,686)         | 10,438           | (94,312)         | (75,974)         |
|                                                      | (11,746)         | (5,561)          | 6,674            | (58,524)         | (58,194)         |

# Notes to the financial statements

For the year ended March 31, 2026

## 27 Retirement benefit obligations *(continued)*

### (c) Additional information on post-employment benefits (pension and medical) *(continued)*

The amounts recognized in the consolidated income statement are as follows:

|                                                               | Pension          |                  | Medical          |                  |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                               | 2026<br>US\$'000 | 2025<br>US\$'000 | 2026<br>US\$'000 | 2025<br>US\$'000 |
| Current service cost                                          | 16,104           | 12,218           | 149              | 178              |
| Past service cost                                             | 5,642            | 337              | -                | -                |
| Interest cost                                                 | 21,201           | 19,254           | 1,495            | 1,422            |
| Interest income                                               | (13,768)         | (13,231)         | (26)             | (38)             |
| Curtailment gain                                              | (2,386)          | (206)            | -                | -                |
| Total expense recognized in the consolidated income statement | 26,793           | 18,372           | 1,618            | 1,562            |

## 28 Share capital

### Accounting policy

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

|                                      | 2026                |           | 2025                |           |
|--------------------------------------|---------------------|-----------|---------------------|-----------|
|                                      | Number<br>of shares | US\$'000  | Number<br>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 |

## 29 Financial instruments by category

### Accounting policy

#### Financial assets

##### (a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investments at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### (c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### (i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.



# Notes to the financial statements

For the year ended March 31, 2026

## 29 Financial instruments by category *(continued)*

### Accounting policy *(continued)*

#### Financial assets *(continued)*

##### *(c) Measurement (continued)*

##### *(ii) Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payments is established. On disposal of these equity investments, any related balance within the investment revaluation reserve is reclassified to retained earnings. Changes in the fair value of financial assets at FVPL are recognized in profit or loss as applicable.

Financial assets at FVOCI comprise equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognize in this category. These are strategic investments and the Group considers this classification to be more relevant.

Financial assets at FVPL comprise equity investments which are held for trading, and which the Group has not elected to recognize fair value gains and losses through other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in Note 30(d).

#### Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values at each balance sheet date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge) or (ii) hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

## 29 Financial instruments by category (continued)

### Accounting policy (continued)

#### Derivative financial instruments and hedging activities (continued)

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

##### (a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### (b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income or loss. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement.

Amounts accumulated in equity are reclassified to the consolidated income statement in the periods when the hedged item affects profit or loss (for example, when the forecast sale or purchase that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the consolidated income statement within "Finance costs". The gain or loss relating to the ineffective portion is recognized within "Other operating income/(expenses) — net" in the consolidated income statement.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gains or losses on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall be reclassified from equity to the consolidated income statement immediately.

##### (c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the consolidated income statement.

### Critical accounting estimates and judgments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

# Notes to the financial statements

For the year ended March 31, 2026

## 29 Financial instruments by category (continued)

|                                | Financial<br>assets at<br>amortized<br>cost<br>US\$'000 | Financial<br>assets at<br>FVPL<br>US\$'000 | Derivatives<br>used for<br>hedging<br>US\$'000 | Financial<br>assets at<br>FVOCI<br>(non-<br>recycling)<br>US\$'000 | Other<br>financial<br>assets at<br>FVOCI<br>(recycling)<br>US\$'000 | Total<br>US\$'000 |
|--------------------------------|---------------------------------------------------------|--------------------------------------------|------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------|-------------------|
| <b>Assets</b>                  |                                                         |                                            |                                                |                                                                    |                                                                     |                   |
| At March 31, 2026              |                                                         |                                            |                                                |                                                                    |                                                                     |                   |
| Financial assets at FVPL       | -                                                       | 2,030,501                                  | -                                              | -                                                                  | -                                                                   | 2,030,501         |
| Financial assets at FVOCI      | -                                                       | -                                          | -                                              | 49,648                                                             | -                                                                   | 49,648            |
| Other non-current assets       | 88,745                                                  | -                                          | -                                              | -                                                                  | -                                                                   | 88,745            |
| Trade and notes receivables    | 59,926                                                  | -                                          | -                                              | -                                                                  | 14,134,149                                                          | 14,194,075        |
| Derivative financial assets    | -                                                       | -                                          | 174,916                                        | -                                                                  | -                                                                   | 174,916           |
| Deposits and other receivables | 5,605,106                                               | -                                          | -                                              | -                                                                  | -                                                                   | 5,605,106         |
| Bank deposits                  | 96,369                                                  | -                                          | -                                              | -                                                                  | -                                                                   | 96,369            |
| Cash and cash equivalents      | 4,887,162                                               | -                                          | -                                              | -                                                                  | -                                                                   | 4,887,162         |
|                                | 10,737,308                                              | 2,030,501                                  | 174,916                                        | 49,648                                                             | 14,134,149                                                          | 27,126,522        |
| At March 31, 2025              |                                                         |                                            |                                                |                                                                    |                                                                     |                   |
| Financial assets at FVPL       | -                                                       | 1,464,384                                  | -                                              | -                                                                  | -                                                                   | 1,464,384         |
| Financial assets at FVOCI      | -                                                       | -                                          | -                                              | 45,382                                                             | -                                                                   | 45,382            |
| Other non-current assets       | 77,790                                                  | -                                          | -                                              | -                                                                  | -                                                                   | 77,790            |
| Trade and notes receivables    | 60,542                                                  | -                                          | -                                              | -                                                                  | 10,257,738                                                          | 10,318,280        |
| Derivative financial assets    | -                                                       | -                                          | 53,690                                         | -                                                                  | -                                                                   | 53,690            |
| Deposits and other receivables | 2,746,721                                               | -                                          | -                                              | -                                                                  | -                                                                   | 2,746,721         |
| Bank deposits                  | 88,607                                                  | -                                          | -                                              | -                                                                  | -                                                                   | 88,607            |
| Cash and cash equivalents      | 4,728,124                                               | -                                          | -                                              | -                                                                  | -                                                                   | 4,728,124         |
|                                | 7,701,784                                               | 1,464,384                                  | 53,690                                         | 45,382                                                             | 10,257,738                                                          | 19,522,978        |

## 29 Financial instruments by category (continued)

|                                  | Financial liabilities at amortized cost<br>US\$'000 | Derivatives used for hedging<br>US\$'000 | Derivatives at FVPL<br>US\$'000 | Total<br>US\$'000 |
|----------------------------------|-----------------------------------------------------|------------------------------------------|---------------------------------|-------------------|
| <b>Liabilities</b>               |                                                     |                                          |                                 |                   |
| At March 31, 2026                |                                                     |                                          |                                 |                   |
| Trade and notes payables         | 19,236,706                                          | -                                        | -                               | 19,236,706        |
| Derivative financial liabilities | -                                                   | 47,602                                   | 96,819                          | 144,421           |
| Other payables and accruals      | 12,426,047                                          | -                                        | -                               | 12,426,047        |
| Borrowings                       | 4,741,038                                           | -                                        | -                               | 4,741,038         |
| Deferred consideration           | 25,072                                              | -                                        | -                               | 25,072            |
| Written put option liabilities   | 291,101                                             | -                                        | -                               | 291,101           |
| Others                           | 279,620                                             | -                                        | -                               | 279,620           |
|                                  | <b>36,999,584</b>                                   | <b>47,602</b>                            | <b>96,819</b>                   | <b>37,144,005</b> |
| At March 31, 2025                |                                                     |                                          |                                 |                   |
| Trade and notes payables         | 11,978,933                                          | -                                        | -                               | 11,978,933        |
| Derivative financial liabilities | -                                                   | 109,277                                  | 329,697                         | 438,974           |
| Other payables and accruals      | 10,503,181                                          | -                                        | -                               | 10,503,181        |
| Borrowings                       | 5,368,158                                           | -                                        | -                               | 5,368,158         |
| Deferred consideration           | 25,072                                              | -                                        | -                               | 25,072            |
| Written put option liabilities   | 303,099                                             | -                                        | -                               | 303,099           |
| Others                           | 301,375                                             | -                                        | -                               | 301,375           |
|                                  | 28,479,818                                          | 109,277                                  | 329,697                         | 28,918,792        |

# Notes to the financial statements

For the year ended March 31, 2026

## 30 Financial risk management

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign currency risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk. The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Financial risk management is carried out by the centralized treasury department ("Group Treasury").

### (a) Financial risk factors

#### (i) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk arising from various currency exposures, primarily with respect to United States dollar, Renminbi and Euro. Foreign currency risk arises from future commercial transactions, recognized assets and liabilities and net investment in foreign operations denominated in a currency that is not the group companies' functional currency.

Management has set up a policy to require group companies to manage their foreign currency risk against their functional currency. The Group's forward foreign currency contracts are either used to hedge a percentage of anticipated cash flows (mainly export sales and purchase of inventories) which are highly probable, or used as fair value hedges for the identified assets and liabilities.

For segment reporting purposes, external hedge contracts on assets, liabilities or future transactions are designated to each operating segment, as appropriate.

The following tables detail the Group's exposure at the balance sheet date to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate, except for the currency risk between United States dollar and Hong Kong dollar given the two currencies are under the linked exchange rate system. For presentation purposes, the amounts of the exposure are shown in United States dollar, translated using the spot rate at the balance sheet date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

|                                                                        | 2026                             |                      |                  | 2025                             |                      |                  |
|------------------------------------------------------------------------|----------------------------------|----------------------|------------------|----------------------------------|----------------------|------------------|
|                                                                        | United States dollar<br>US\$'000 | Renminbi<br>US\$'000 | Euro<br>US\$'000 | United States dollar<br>US\$'000 | Renminbi<br>US\$'000 | Euro<br>US\$'000 |
| Trade, lease and other receivables                                     | 964,815                          | 59,664               | 263,988          | 716,915                          | 20,488               | 182,482          |
| Bank deposits and cash and cash equivalents                            | 145,021                          | 42,636               | 35,653           | 51,284                           | 51,879               | 106,073          |
| Trade and other payables                                               | (640,693)                        | (110,704)            | (28,893)         | (590,815)                        | (73,663)             | (107,042)        |
| Intercompany balances before elimination                               | 1,053,995                        | 4,517,764            | (585,327)        | 1,838,813                        | 4,611,989            | (401,751)        |
| Gross exposure                                                         | 1,523,138                        | 4,509,360            | (314,579)        | 2,016,197                        | 4,610,693            | (220,238)        |
| Notional amounts of forward exchange contracts used as economic hedges | 3,871,548                        | 671,691              | 234,555          | 2,645,733                        | 263,551              | 291,687          |
| Net exposure                                                           | 5,394,686                        | 5,181,051            | (80,024)         | 4,661,930                        | 4,874,244            | 71,449           |

## 30 Financial risk management *(continued)*

### (a) Financial risk factors *(continued)*

#### (ii) Cash flow interest rate risk

The Group's interest rate risk generally arises from short-term and long-term borrowings denominated in United States dollar. It is the Group's policy to mitigate interest rate risk through the use of appropriate interest rate hedging instruments when necessary. Generally, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to settle the difference between cash flow arising from fixed contract rates and floating-rate interest of the notional amounts at specified intervals (primarily quarterly).

The Group participates in various trade financing programs. The Group is exposed to fluctuation of interest rates of all the currencies covered by those programs.

#### (iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated balance sheet either as financial assets at FVPL (Note 17(a)) or FVOCI (Note 17(b)).

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's listed equity investments are determined based on respective quoted market prices. The fair value of unlisted equity investments is determined based on valuation techniques, please refer to Note 30(d) for details.

#### (iv) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments, notes receivable, other receivables and deposits with banks and financial institutions, as well as credit exposures to customers and subcontractors, including outstanding receivables and committed transactions.

For banks and other financial institutions, the Group controls its credit risk through monitoring their credit rating and setting approved counterparty credit limits that are regularly reviewed.

The Group has no significant concentration of customer credit risk. The Group has a credit policy in place and exposures to these credit risks are monitored on an ongoing basis. No credit limits were exceeded by any customers and subcontractors during the reporting period, and management does not expect any significant losses from non-performance by these counterparties.

Except for trade and lease receivables, the Group measures the loss allowance equal to 12 months expected credit loss, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime expected credit loss. The expected credit loss was minimal.



# Notes to the financial statements

For the year ended March 31, 2026

## 30 Financial risk management (continued)

### (a) Financial risk factors (continued)

#### (iv) Credit risk (continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected credit loss provision for all trade and lease receivables. Expected credit losses are measured by grouping trade receivables according to shared credit risk characteristics and days past due, while lease receivables are categorized based on shared credit risk characteristics and internal credit ratings.

The gross carrying amount of the trade receivables and the loss allowance analyzed by ageing band are set out below:

|                               | Gross<br>carrying<br>amount<br>US\$'000 | Loss<br>allowance<br>US\$'000 | Expected<br>credit<br>loss rate |
|-------------------------------|-----------------------------------------|-------------------------------|---------------------------------|
| At March 31, 2026             |                                         |                               |                                 |
| Not past due                  | 13,598,643                              | (54,649)                      | 0%                              |
| Past due less than 31 days    | 329,635                                 | (2,430)                       | 1%                              |
| Past due within 31 to 60 days | 93,259                                  | (5)                           | 0%                              |
| Past due within 61 to 90 days | 49,045                                  | (27)                          | 0%                              |
| Past due over 90 days         | 267,103                                 | (146,425)                     | 55%                             |
|                               | 14,337,685                              | (203,536)                     |                                 |
| At March 31, 2025             |                                         |                               |                                 |
| Not past due                  | 9,392,830                               | (14,773)                      | 0%                              |
| Past due less than 31 days    | 445,630                                 | (276)                         | 0%                              |
| Past due within 31 to 60 days | 189,349                                 | (108)                         | 0%                              |
| Past due within 61 to 90 days | 83,704                                  | (189)                         | 0%                              |
| Past due over 90 days         | 310,904                                 | (149,333)                     | 48%                             |
|                               | 10,422,417                              | (164,679)                     |                                 |

### 30 Financial risk management (continued)

#### (a) Financial risk factors (continued)

##### (iv) Credit risk (continued)

The gross carrying amount of the lease receivables and the loss allowance analyzed by internal credit ratings are set out below:

|                   | Gross<br>carrying<br>amount<br>US\$'000 | Loss<br>allowance<br>US\$'000 | Expected<br>credit<br>loss rate |
|-------------------|-----------------------------------------|-------------------------------|---------------------------------|
| At March 31, 2026 |                                         |                               |                                 |
| Low               | 284,227                                 | (1,444)                       | 1%                              |
| Moderate          | 225,297                                 | (5,412)                       | 2%                              |
| High              | 42,894                                  | (8,239)                       | 19%                             |
|                   | 552,418                                 | (15,095)                      |                                 |
| At March 31, 2025 |                                         |                               |                                 |
| Low               | 185,853                                 | (99)                          | 0%                              |
| Moderate          | 171,297                                 | (597)                         | 0%                              |
| High              | 4,592                                   | (1,729)                       | 38%                             |
|                   | 361,742                                 | (2,425)                       |                                 |

##### (v) Liquidity risk

Cash flow forecasting at least for next twelve months of the Group is performed by Group Treasury. It monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational, financing and investing needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (Note 24) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, net current liabilities position, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

Surplus cash held by the operating entities over and above balances required for working capital management are transferred to Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market funds and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the balance sheet date, the Group held money market funds of US\$1,229,000,000 (2025: US\$1,493,773,000) (Note 20).

As detailed in Notes 21 and 22, the Group utilizes supplier finance arrangements as part of its working capital strategy to enhance operational flexibility. These arrangements are established with multiple financial institutions, all of which are in sound financial health. This arrangement enables the Group to centralize the payment of trade and notes payables, as well as other payables, to the financial institutions instead of making individual payments to each supplier and subcontractor. Since the amounts involved are distributed across various financial institutions, management has determined that the likelihood of these arrangements becoming unavailable is remote and the current structure does not represent a material concentration of liquidity risk to the Group.

# Notes to the financial statements

For the year ended March 31, 2026

## 30 Financial risk management (continued)

### (a) Financial risk factors (continued)

#### (v) Liquidity risk (continued)

The tables below analyze the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining periods at the balance sheet date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the tables are the contractual undiscounted cash outflows/(inflows).

|                                                 | Repayable<br>on demand<br>or 3 months<br>or less<br>US\$'000 | Over<br>3 months<br>to 1 year<br>US\$'000 | Over<br>1 to 3<br>years<br>US\$'000 | Over<br>3 to 5<br>years<br>US\$'000 | Over<br>5 years<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------------------------|--------------------------------------------------------------|-------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|-------------------|
| At March 31, 2026                               |                                                              |                                           |                                     |                                     |                             |                   |
| Borrowings                                      | 309,656                                                      | 761,191                                   | 2,765,998                           | 1,024,265                           | 611,929                     | 5,473,039         |
| Trade, notes and other payables<br>and accruals | 30,261,862                                                   | 1,400,891                                 | -                                   | -                                   | -                           | 31,662,753        |
| Deferred consideration                          | -                                                            | -                                         | 25,072                              | -                                   | -                           | 25,072            |
| Written put option liabilities                  | 240,112                                                      | 50,989                                    | -                                   | -                                   | -                           | 291,101           |
| Lease liabilities                               | 34,321                                                       | 98,921                                    | 111,368                             | 67,921                              | 235,673                     | 548,204           |
| Others                                          | -                                                            | -                                         | 244,265                             | 6,739                               | 28,616                      | 279,620           |
| Derivatives settled in gross:                   |                                                              |                                           |                                     |                                     |                             |                   |
| Forward foreign exchange<br>contracts           |                                                              |                                           |                                     |                                     |                             |                   |
| — outflow                                       | 14,131,290                                                   | 1,070,716                                 | -                                   | -                                   | -                           | 15,202,006        |
| — inflow                                        | (14,232,023)                                                 | (1,081,790)                               | -                                   | -                                   | -                           | (15,313,813)      |
| At March 31, 2025                               |                                                              |                                           |                                     |                                     |                             |                   |
| Borrowings                                      | 1,036,424                                                    | 119,038                                   | 2,835,236                           | 835,657                             | 1,567,701                   | 6,394,056         |
| Trade, notes and other payables<br>and accruals | 21,167,447                                                   | 1,314,667                                 | -                                   | -                                   | -                           | 22,482,114        |
| Deferred consideration                          | -                                                            | -                                         | 25,072                              | -                                   | -                           | 25,072            |
| Written put option liabilities                  | 256,852                                                      | 49,221                                    | -                                   | -                                   | -                           | 306,073           |
| Lease liabilities                               | 31,920                                                       | 88,342                                    | 183,072                             | 70,264                              | 36,466                      | 410,064           |
| Others                                          | -                                                            | -                                         | 229,022                             | 20,998                              | 51,355                      | 301,375           |
| Derivatives settled in net:                     |                                                              |                                           |                                     |                                     |                             |                   |
| Forward foreign exchange<br>contracts           | 707                                                          | -                                         | -                                   | -                                   | -                           | 707               |
| Derivatives settled in gross:                   |                                                              |                                           |                                     |                                     |                             |                   |
| Forward foreign exchange<br>contracts           |                                                              |                                           |                                     |                                     |                             |                   |
| — outflow                                       | 12,343,419                                                   | 1,514,555                                 | -                                   | -                                   | -                           | 13,857,974        |
| — inflow                                        | (12,282,766)                                                 | (1,520,618)                               | -                                   | -                                   | -                           | (13,803,384)      |

### 30 Financial risk management (continued)

#### (b) Market risk sensitivity analysis

HKFRS 7 “Financial instruments: Disclosures” requires the disclosure of a sensitivity analysis for market risks that show the effects of a hypothetical change in the relevant market risk variable to which the Group is exposed to at the balance sheet date on profit or loss and total equity.

The sensitivity analysis for each type of market risks does not reflect inter-dependencies between risk variables. The sensitivity analysis assumes that a hypothetical change of the relevant risk variable had occurred at the balance sheet date and had been applied to the relevant risk variable in existence on that date. The bases and assumptions adopted in the preparation of the analyses will by definition, seldom equal to the related actual results.

The disclosure of the sensitivity analysis on market risks is solely for compliance with HKFRS 7 disclosure requirements in respect of financial instruments, and are for illustration purposes only; and it should be noted that the hypothetical amounts so generated do not represent a projection of likely future events and profits or losses of the Group.

##### (i) Foreign currency exchange rate sensitivity analysis

At March 31, 2026, if United States dollar had weakened/strengthened by one percent against the major currencies with all other variables held constant, pre-tax profit for the year would have been US\$2.9 million lower/higher (2025: US\$2.8 million higher/lower), mainly as a result of foreign exchange gains/losses on translation of unhedged portion of receivable and payable balances.

The analysis above is based on the assumption that United States dollar weakened or strengthened against all other currencies in the same direction and magnitude, but it may not be necessarily true in reality.

##### (ii) Interest rate sensitivity analysis

At March 31, 2026, the Group’s short term borrowings at variable rate do not have significant impact on pre-tax profit for the year if interest rate on borrowings had been 25 basis points higher/lower with all other variable held constant (2025: do not have significant impact).

##### (iii) Price risk sensitivity analysis

The table below summarizes the impact of increase/decrease of the quoted market prices of listed equity investments and the prices of unlisted equity investments on the Group’s pre-tax profit and equity for the year. The analysis is based on the assumption that the fair value of the equity investments had increased/decreased by 5% with all other variables held constant.

|                | Impact on pre-tax profit |                  | Pre-tax impact on other components of equity |                  |
|----------------|--------------------------|------------------|----------------------------------------------|------------------|
|                | 2026<br>US\$'000         | 2025<br>US\$'000 | 2026<br>US\$'000                             | 2025<br>US\$'000 |
| Increase by 5% | 101,525                  | 73,219           | 2,482                                        | 2,269            |
| Decrease by 5% | (101,525)                | (73,219)         | (2,482)                                      | (2,269)          |

# Notes to the financial statements

For the year ended March 31, 2026

## 30 Financial risk management (continued)

### (c) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of gearing ratio. This ratio is calculated as total borrowings (including current and non-current borrowings) divided by total equity. The Group's strategy remains unchanged and the gearing ratios and net cash/(debt) position of the Group at March 31, 2026 and 2025 are as follows:

|                                             | 2026<br>US\$ million | 2025<br>US\$ million |
|---------------------------------------------|----------------------|----------------------|
| Bank deposits and cash and cash equivalents | 4,983                | 4,817                |
| Less: total borrowings                      | (4,741)              | (5,368)              |
| Net cash/(debt) position                    | 242                  | (551)                |
| Total equity                                | 8,444                | 6,660                |
| Gearing ratio                               | 0.56                 | 0.81                 |

### (d) Fair value estimation

The table below analyzes financial instruments carried at fair value defined under different levels as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to environmental, social and governance risk ("ESG risk"). These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

### 30 Financial risk management (continued)

#### (d) Fair value estimation (continued)

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as estimated discounted cash flows and recent transaction for similar instruments, are used to determine fair value for the remaining financial instruments.

The following table presents the assets and liabilities that are measured at fair value at March 31, 2026 and 2025.

|                                  | 2026                |                     |                     |                   | 2025                |                     |                     |                   |
|----------------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|-------------------|
|                                  | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 | Level 1<br>US\$'000 | Level 2<br>US\$'000 | Level 3<br>US\$'000 | Total<br>US\$'000 |
| Assets                           |                     |                     |                     |                   |                     |                     |                     |                   |
| Financial assets at FVPL         |                     |                     |                     |                   |                     |                     |                     |                   |
| Listed equity investments        | 121,178             | -                   | 620,449             | 741,627           | 156,001             | -                   | 107,794             | 263,795           |
| Unlisted equity investments      | -                   | -                   | 1,288,874           | 1,288,874         | -                   | -                   | 1,200,589           | 1,200,589         |
| Financial assets at FVOCI        |                     |                     |                     |                   |                     |                     |                     |                   |
| Listed equity investments        | 34,215              | -                   | -                   | 34,215            | 31,113              | -                   | -                   | 31,113            |
| Unlisted equity investments      | -                   | -                   | 15,433              | 15,433            | -                   | -                   | 14,269              | 14,269            |
| Trade receivables                | -                   | 14,134,149          | -                   | 14,134,149        | -                   | 10,257,738          | -                   | 10,257,738        |
| Derivative financial assets      | -                   | 174,916             | -                   | 174,916           | -                   | 53,690              | -                   | 53,690            |
|                                  | 155,393             | 14,309,065          | 1,924,756           | 16,389,214        | 187,114             | 10,311,428          | 1,322,652           | 11,821,194        |
| Liabilities                      |                     |                     |                     |                   |                     |                     |                     |                   |
| Derivative financial liabilities | -                   | 47,602              | 96,819              | 144,421           | -                   | 109,277             | 329,697             | 438,974           |
|                                  | -                   | 47,602              | 96,819              | 144,421           | -                   | 109,277             | 329,697             | 438,974           |



# Notes to the financial statements

For the year ended March 31, 2026

## 30 Financial risk management (continued)

### (d) Fair value estimation (continued)

The movements in the financial assets and liabilities included in Level 3 fair value hierarchy for the years ended March 31, 2026 and 2025 are as follows:

#### Equity securities

|                                                            | Financial assets at FVPL |                  | Financial assets at FVOCI |                  |
|------------------------------------------------------------|--------------------------|------------------|---------------------------|------------------|
|                                                            | 2026<br>US\$'000         | 2025<br>US\$'000 | 2026<br>US\$'000          | 2025<br>US\$'000 |
| At the beginning of the year                               | 1,308,383                | 1,283,093        | 14,269                    | 18,228           |
| Exchange adjustment                                        | 62,816                   | (6,834)          | 444                       | (43)             |
| Fair value change recognized in other comprehensive income | -                        | -                | 720                       | (3,930)          |
| Fair value change recognized in profit or loss             | 297,367                  | (49,853)         | -                         | -                |
| Transfer to Level 1                                        | -                        | (51,765)         | -                         | -                |
| Additions                                                  | 284,028                  | 155,775          | -                         | 14               |
| Disposals                                                  | (43,271)                 | (22,033)         | -                         | -                |
| At the end of the year                                     | 1,909,323                | 1,308,383        | 15,433                    | 14,269           |

The Level 3 equity securities are valued primarily based on the latest available financial statements. The Group may make adjustments to the value based on considerations such as the value date of the net assets value provided, cash flows since the latest value date, geographic and sector exposures, market movements and the basis of accounting of the underlying equity securities. A reasonable possible change in key assumptions used in the fair value measurement of equity securities would not result in any significant potential financial impact.

During the year ended March 31, 2026, nil (2025: four) investments which were categorized as Level 3 have listed their equity shares on the exchanges or removed certain sales restrictions. With the published price quotations in active markets, related fair value measurement was transferred from Level 3 to Level 1.

#### Derivative financial liabilities relating to warrants

|                                                | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------------|------------------|------------------|
| At the beginning of the year                   | 329,697          | -                |
| Exchange adjustment                            | (2,455)          | (230)            |
| Additions                                      | -                | 211,652          |
| Fair value change recognized in profit or loss | (230,423)        | 118,275          |
| At the end of the year                         | 96,819           | 329,697          |

Valuations of warrants that do not have a quoted price are performed using Black-Scholes model with unobservable inputs including risk-free interest rate of 2.4% (2025: 3.3%) and expected volatility of 28.7% (2025: 36.7%). If the risk-free interest rate increased/decreased by 0.5%, the fair value of warrants would have been increased/decreased by approximately US\$3 million and US\$3 million (2025: US\$9 million and US\$7 million) respectively, while if the expected volatility increased/decreased by 0.5%, the fair value of warrants would have been increased/decreased by approximately US\$3 million and US\$3 million (2025: US\$6 million and US\$4 million) respectively, with the corresponding loss/gain recognized in the consolidated income statement.

### (e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 31 Note to the consolidated cash flow statement

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

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

# Notes to the financial statements

For the year ended March 31, 2026

## 31 Note to the consolidated cash flow statement (continued)

### (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<br>US\$'000 | 2025<br>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        |

### 31 Note to the consolidated cash flow statement (continued)

#### (b) Reconciliation of financing liabilities (continued)

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

#### (c) Cash outflow to acquire businesses, net of cash acquired

|                                          | 2026<br>US\$'000 | 2025<br>US\$'000 |
|------------------------------------------|------------------|------------------|
| Cash consideration paid                  | -                | 1,537            |
| Less: cash and cash equivalents acquired | -                | -                |
| Net cash outflow — investing activities  | -                | 1,537            |

# Notes to the financial statements

For the year ended March 31, 2026

## 32 Operating lease arrangements

Undiscounted lease payments receivable on operating lease arrangements are as follows:

|                   | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-------------------|------------------|------------------|
| Within 1 year     | 179,261          | 179,972          |
| Over 1 to 2 years | 91,279           | 97,330           |
| Over 2 to 3 years | 36,225           | 30,484           |
| Over 3 to 4 years | 6,637            | 5,214            |
| Over 4 to 5 years | 10               | 2,099            |
|                   | 313,412          | 315,099          |

## 33 Capital commitments

Apart from disclosed elsewhere in these financial statements, on March 31, 2026 and 2025, the Group had the following other capital commitments:

|                                  | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------|------------------|------------------|
| Contracted but not provided for: |                  |                  |
| — Property, plant and equipment  | 287,823          | 89,648           |
| — Intangible assets              | 3,335            | 1,298            |
| — Investment in financial assets | 29,851           | 17,951           |
|                                  | 321,009          | 108,897          |

## 34 Contingent liabilities

### Accounting policy

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

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.

## 35 Significant related party transactions

### Accounting policy

A related party transaction is a transfer of resources, services or obligations between the Group and a related party of the Group, regardless of whether a price is charged.

**(a)** A person, or a close member of that person's family, is related to the Group if that person:

- has control or joint control over the Group;
- has significant influence over the Group; or
- is a member of the key management personnel of the Group or the Group's parent.

**(b)** An entity is related to the Group if any of the following conditions applies:

- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third party.
- The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- The entity is controlled or jointly controlled by a person identified in (a) above.
- A person, or a close member of that person's family, who has control or joint control over the Group, has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.



# Notes to the financial statements

For the year ended March 31, 2026

## 35 Significant related party transactions (continued)

- (a) The Group had the following significant related party transactions in the normal course of business during the year:

|                                                                                                                            | 2026<br>US\$'000 | 2025<br>US\$'000 |
|----------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 閃聯信息技術工程中心有限公司<br>(IGRS Engineering Lab Limited) (an associate) (i)                                                        |                  |                  |
| — Purchase of goods                                                                                                        | 757              | 3,217            |
| PCCW Solutions Limited (a subsidiary of an associate)                                                                      |                  |                  |
| — Provision of services                                                                                                    | 66,511           | 75,270           |
| — Services received                                                                                                        | -                | 1,423            |
| 天津聯博基業科技發展有限公司<br>(Tianjin Lianbo Foundation Technology Development Co.,<br>Limited) (an associate and its subsidiary) (i) |                  |                  |
| — Loans granted                                                                                                            | 110,841          | 77,612           |

Note:

- (i) The English name of the company is a direct translation or transliteration of its Chinese registered name.

## (b) Key management compensation

Details on key management compensation are set out below. The emoluments shown below include one (2025: one) director and eleven (2025: twelve) senior management during the year.

|                                                                       | 2026<br>US\$'000 | 2025<br>US\$'000 |
|-----------------------------------------------------------------------|------------------|------------------|
| Basic salaries, allowances, and other benefits-in-kind                | 13,014           | 15,542           |
| Discretionary bonuses                                                 | 26,280           | 26,760           |
| Long-term incentive awards                                            | 52,753           | 45,100           |
| Retirement payments and employer's contribution<br>to pension schemes | 1,247            | 1,061            |
|                                                                       | 93,294           | 88,463           |

### 36 Balance sheet and movement of reserves of the Company

#### (a) Balance sheet of the Company

|                                             | At March 31,      |                  |
|---------------------------------------------|-------------------|------------------|
|                                             | 2026<br>US\$'000  | 2025<br>US\$'000 |
| <b>Non-current assets</b>                   |                   |                  |
| Property, plant and equipment               | 138               | 156              |
| Right-of-use assets                         | 7,813             | 2,800            |
| Construction-in-progress                    | 3,992             | -                |
| Intangible assets                           | -                 | 4                |
| Interest in an associate                    | 103,851           | 103,851          |
| Investments in subsidiaries                 | 16,265,211        | 14,881,038       |
| Financial assets at FVPL                    | 69,327            | 43,253           |
| Financial assets at FVOCI                   | 6,666             | 7,259            |
| Other non-current assets                    | 3,486             | 669              |
|                                             | <b>16,460,484</b> | 15,039,030       |
| <b>Current assets</b>                       |                   |                  |
| Derivative financial assets                 | 490               | 295              |
| Deposits, prepayments and other receivables | 206,904           | 216,389          |
| Amounts due from subsidiaries               | 11,038,121        | 8,951,173        |
| Income tax recoverable                      | -                 | 4,564            |
| Cash and cash equivalents                   | 45,126            | 15,107           |
|                                             | <b>11,290,641</b> | 9,187,528        |
| <b>Total assets</b>                         | <b>27,751,125</b> | 24,226,558       |

# Notes to the financial statements

For the year ended March 31, 2026

## 36 Balance sheet and movement of reserves of the Company (continued)

### (a) Balance sheet of the Company (continued)

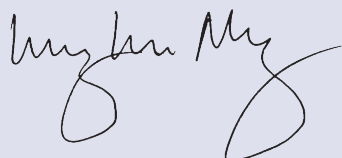
|                                     | At March 31,      |                  |
|-------------------------------------|-------------------|------------------|
|                                     | 2026<br>US\$'000  | 2025<br>US\$'000 |
| Share capital                       | 3,500,987         | 3,500,987        |
| Reserves (Note 36(b))               | 1,599,122         | 1,365,282        |
| <b>Total equity</b>                 | <b>5,100,109</b>  | 4,866,269        |
| <b>Non-current liabilities</b>      |                   |                  |
| Derivative financial liabilities    | 45,182            | 241,778          |
| Borrowings                          | 3,862,595         | 4,337,806        |
| Deferred income tax liabilities     | 14,044            | 1,266            |
| Other non-current liabilities       | 31,761            | 27,298           |
|                                     | <b>3,953,582</b>  | 4,608,148        |
| <b>Current liabilities</b>          |                   |                  |
| Derivative financial liabilities    | 51,637            | 87,919           |
| Other payables and accruals         | 81,770            | 107,103          |
| Borrowings                          | 866,209           | 964,988          |
| Income tax payable                  | 5,019             | –                |
| Amounts due to subsidiaries         | 17,692,799        | 13,592,131       |
|                                     | <b>18,697,434</b> | 14,752,141       |
| <b>Total liabilities</b>            | <b>22,651,016</b> | 19,360,289       |
| <b>Total equity and liabilities</b> | <b>27,751,125</b> | 24,226,558       |

On behalf of the Board



**Yang Yuanqing**

Chairman and Chief Executive Officer



**Wong Wai Ming**

Director

### 36 Balance sheet and movement of reserves of the Company (continued)

#### (b) Movement of reserves of the Company

The changes in the reserves of the Company during the years ended March 31, 2026 and 2025 are as follows:

|                                                                                                                                                                   | Investment<br>revaluation<br>reserve<br>US\$'000 | Share-<br>based<br>compensation<br>reserve<br>US\$'000 | Exchange<br>reserve<br>US\$'000 | Other<br>reserves<br>US\$'000 | Retained<br>earnings<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|---------------------------------|-------------------------------|----------------------------------|-------------------|
| At April 1, 2024                                                                                                                                                  | (26,563)                                         | (655,113)                                              | 10,204                          | 165,608                       | 1,784,540                        | 1,278,676         |
| Profit for the year                                                                                                                                               | -                                                | -                                                      | -                               | -                             | 575,795                          | 575,795           |
| Other comprehensive loss                                                                                                                                          | (9,012)                                          | -                                                      | -                               | -                             | -                                | (9,012)           |
| Total comprehensive (loss)/<br>income for the year                                                                                                                | (9,012)                                          | -                                                      | -                               | -                             | 575,795                          | 566,783           |
| Vesting of shares under long-<br>term incentive program                                                                                                           | -                                                | (448,422)                                              | -                               | -                             | -                                | (448,422)         |
| Settlement of bonus through<br>long-term incentive program                                                                                                        | -                                                | 561                                                    | -                               | -                             | -                                | 561               |
| Share-based compensation                                                                                                                                          | -                                                | 290,245                                                | -                               | -                             | -                                | 290,245           |
| Issue of convertible bonds                                                                                                                                        | -                                                | -                                                      | -                               | 290,608                       | -                                | 290,608           |
| Dividends paid                                                                                                                                                    | -                                                | -                                                      | -                               | -                             | (613,169)                        | (613,169)         |
| At March 31, 2025                                                                                                                                                 | <b>(35,575)</b>                                  | <b>(812,729)</b>                                       | <b>10,204</b>                   | <b>456,216</b>                | <b>1,747,166</b>                 | <b>1,365,282</b>  |
| Profit for the year                                                                                                                                               | -                                                | -                                                      | -                               | -                             | <b>872,472</b>                   | <b>872,472</b>    |
| Other comprehensive loss                                                                                                                                          | <b>(571)</b>                                     | -                                                      | -                               | -                             | -                                | <b>(571)</b>      |
| Total comprehensive (loss)/<br>income for the year                                                                                                                | <b>(571)</b>                                     | -                                                      | -                               | -                             | <b>872,472</b>                   | <b>871,901</b>    |
| Vesting of shares under long-<br>term incentive program                                                                                                           | -                                                | <b>(368,636)</b>                                       | -                               | -                             | -                                | <b>(368,636)</b>  |
| Settlement of bonus through<br>long-term incentive program                                                                                                        | -                                                | <b>13,071</b>                                          | -                               | -                             | -                                | <b>13,071</b>     |
| Share-based compensation                                                                                                                                          | -                                                | <b>335,048</b>                                         | -                               | -                             | -                                | <b>335,048</b>    |
| Transfer of investment<br>revaluation reserve upon<br>disposal of financial assets<br>at fair value through other<br>comprehensive income to<br>retained earnings | <b>10,567</b>                                    | -                                                      | -                               | -                             | <b>(10,567)</b>                  | -                 |
| Dividends paid                                                                                                                                                    | -                                                | -                                                      | -                               | -                             | <b>(617,544)</b>                 | <b>(617,544)</b>  |
| At March 31, 2026                                                                                                                                                 | <b>(25,579)</b>                                  | <b>(833,246)</b>                                       | <b>10,204</b>                   | <b>456,216</b>                | <b>1,991,527</b>                 | <b>1,599,122</b>  |

# Notes to the financial statements

For the year ended March 31, 2026

## 37 Principal subsidiaries

The following includes the principal subsidiaries directly or indirectly held by the Company and, in the opinion of the directors, are significant to the results of the year or form a substantial portion of the net assets of the Group. The directors consider that giving details of other subsidiaries would result in particulars of excessive length.

| Company name                                                                                                              | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital | Percentage of<br>issued<br>share capital held |      | Principal activities                                                                |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------------|------|-------------------------------------------------------------------------------------|
|                                                                                                                           |                                          |                                                            | 2026                                          | 2025 |                                                                                     |
| <b>Held directly:</b>                                                                                                     |                                          |                                                            |                                               |      |                                                                                     |
| 聯想(北京)有限公司<br>(Lenovo (Beijing) Limited) <sup>1</sup><br>(wholly foreign-owned<br>enterprise)                             | Chinese<br>Mainland                      | HK\$5,650,000,000                                          | 100%                                          | 100% | Manufacturing and<br>distribution of IT<br>products and provision<br>of IT services |
| <b>Held indirectly:</b>                                                                                                   |                                          |                                                            |                                               |      |                                                                                     |
| Fujitsu Client Computing<br>Limited                                                                                       | Japan                                    | JPY400,000,000                                             | 51%                                           | 51%  | Manufacturing and<br>distribution of IT<br>products                                 |
| 聯寶(合肥)電子科技有限公司<br>(LCFC (Hefei) Electronics<br>Technology Co., Ltd.) <sup>1</sup><br>(wholly foreign-owned<br>enterprise) | Chinese<br>Mainland                      | US\$265,000,000                                            | 90%                                           | 90%  | Manufacturing and<br>distribution of IT<br>products                                 |
| Lenovo (Asia Pacific) Limited                                                                                             | Hong Kong<br>S.A.R.<br>of China          | HK\$3,045,209,504.92                                       | 100%                                          | 100% | Investment holding and<br>distribution of IT<br>products                            |
| 北京聯想軟件有限公司<br>(Beijing Lenovo Software<br>Limited) <sup>1</sup><br>(wholly foreign-owned<br>enterprise)                   | Chinese<br>Mainland                      | HK\$5,000,000                                              | 100%                                          | 100% | Distribution of IT products<br>and provision of IT<br>services                      |
| Lenovo (Australia & New<br>Zealand)<br>Pty Limited                                                                        | Australia                                | AUD45,860,993.40                                           | 100%                                          | 100% | Distribution of IT products                                                         |
| Lenovo (Belgium) BV                                                                                                       | Belgium                                  | EUR6,771,978.25                                            | 100%                                          | 100% | Investment holding and<br>distribution of IT<br>products                            |
| 聯想(北京)信息技術有限公司<br>(Lenovo (Beijing) Information<br>Technology Limited) <sup>1</sup> (wholly<br>foreign-owned enterprise)  | Chinese<br>Mainland                      | US\$272,300,000                                            | 100%                                          | 100% | Investment holding and<br>distribution of IT<br>products                            |

### 37 Principal subsidiaries (continued)

| Company name                                                                       | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital | Percentage of<br>issued<br>share capital held |      | Principal activities                                                                                                                        |
|------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    |                                          |                                                            | 2026                                          | 2025 |                                                                                                                                             |
| 聯想(北京)電子科技有限公司<br>(Lenovo (Beijing) Electronic<br>Technology Limited) <sup>1</sup> | Chinese<br>Mainland                      | RMB150,000,000                                             | 100%                                          | 100% | Distribution of IT products<br>and provision of IT<br>services                                                                              |
| Lenovo (Canada) Inc.                                                               | Canada                                   | CAD100                                                     | 100%                                          | 100% | Distribution of IT products                                                                                                                 |
| Lenovo Computer Limited                                                            | Hong Kong<br>S.A.R.<br>of China          | HK\$2                                                      | 100%                                          | 100% | Investment holding                                                                                                                          |
| Lenovo (Danmark) ApS                                                               | Denmark                                  | DKK126,000                                                 | 100%                                          | 100% | Distribution of IT products                                                                                                                 |
| Lenovo (Deutschland) GmbH                                                          | Germany                                  | EUR25,100                                                  | 100%                                          | 100% | Distribution of IT products                                                                                                                 |
| Lenovo Enterprise Solutions<br>(Singapore) Pte. Ltd.                               | Singapore                                | SGD55,958,592                                              | 100%                                          | 100% | Manufacturing and<br>wholesaling of<br>computers, computer<br>hardware and<br>peripheral equipment                                          |
| Lenovo Enterprise Solutions<br>LLC                                                 | Japan                                    | JPY50,000,000                                              | 100%                                          | 100% | Distribution of IT products                                                                                                                 |
| Lenovo Enterprise Technology<br>Company Limited                                    | Hong Kong<br>S.A.R. of<br>China          | US\$1,499,999,496                                          | 100%                                          | 100% | Investment holding<br>and distribution of IT<br>products and data<br>management solution                                                    |
| Lenovo (France) SAS                                                                | France                                   | EUR1,837,000                                               | 100%                                          | 100% | Distribution of IT products                                                                                                                 |
| Lenovo HK Services Limited                                                         | Hong Kong<br>S.A.R. of<br>China          | HK\$2                                                      | 100%                                          | 100% | Provision of business<br>planning, management,<br>global supply chain,<br>finance and accounting,<br>and administration<br>support services |
| Lenovo Global Technology<br>(Asia Pacific) Limited                                 | Hong Kong<br>S.A.R. of<br>China          | US\$2,128,924.89                                           | 100%                                          | 100% | Investment holding<br>and distribution of IT<br>products                                                                                    |
| Lenovo Global Technology HK<br>Limited                                             | Hong Kong<br>S.A.R. of<br>China          | US\$10,000,001                                             | 100%                                          | 100% | Procurement agency<br>and distribution of IT<br>products                                                                                    |



# Notes to the financial statements

For the year ended March 31, 2026

## 37 Principal subsidiaries (continued)

| Company name                                                                                                                    | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital | Percentage of<br>issued<br>share capital held |             | Principal activities                                                          |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------------|-------------|-------------------------------------------------------------------------------|
|                                                                                                                                 |                                          |                                                            | 2026                                          | 2025        |                                                                               |
| Lenovo Global Technologies Ireland International Limited                                                                        | Ireland                                  | EUR100                                                     | 100%                                          |             | – Intellectual properties, procurement agency and distribution of IT products |
| Lenovo Global Technology (Hong Kong) Distribution Limited                                                                       | Hong Kong S.A.R. of China                | US\$1                                                      | 100%                                          | 100%        | Distribution of IT products                                                   |
| Lenovo Global Technologies International Limited                                                                                | Hong Kong S.A.R. of China                | US\$1,892,072,637                                          | 100%                                          | 100%        | Investment holding                                                            |
| Lenovo Global Technology (United States) Inc.                                                                                   | United States                            | US\$10                                                     | 100%                                          | 100%        | Distribution of IT products and provision of IT services                      |
| Lenovo (Hong Kong) Limited                                                                                                      | Hong Kong S.A.R. of China                | HK\$74,256,023                                             | 100%                                          | 100%        | Distribution of IT products                                                   |
| Lenovo (India) Private Limited                                                                                                  | India                                    | INR8,607,471,514                                           | 100%                                          | 100%        | Manufacturing and distribution of IT products                                 |
| 聯想信息產品(深圳)有限公司 (Lenovo Information Products (Shenzhen) Co. Ltd.) <sup>1</sup> (limited liability company (wholly-owned entity)) | Chinese Mainland                         | RMB643,966,800                                             | 100%                                          | 100%        | Manufacturing and distribution of IT products                                 |
| Lenovo (Israel) Ltd.                                                                                                            | Israel                                   | ILS132,853.12                                              | 100%                                          | 100%        | Distribution of IT products                                                   |
| Lenovo (Italy) S.r.l                                                                                                            | Italy                                    | EUR100,000                                                 | 100%                                          | 100%        | Distribution of IT products                                                   |
| Lenovo Japan LLC                                                                                                                | Japan                                    | JPY100,000,000                                             | 95.10% (iv)                                   | 95.10% (iv) | Distribution of IT products                                                   |
| Lenovo Korea LLC                                                                                                                | Korea                                    | KRW3,580,940,000                                           | 100%                                          | 100%        | Wholesale and retail trade of computer, peripheral equipment and software     |
| Lenovo Mexico, S. de R.L. de C.V.                                                                                               | Mexico                                   | MXN3,426,638,114                                           | 100%                                          | 100%        | Distribution of IT products                                                   |

### 37 Principal subsidiaries (continued)

| Company name                                                                                                                                                                     | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital                                        | Percentage of<br>issued<br>share capital held |      | Principal activities                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------|-----------------------------------------------|------|----------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                  |                                          |                                                                                                   | 2026                                          | 2025 |                                                                                                    |
| 摩托羅拉移動通信技術有限公司<br>(Motorola Mobile<br>Communication<br>Technology Ltd.) <sup>1</sup><br>(foreign-investment<br>enterprise<br>wholly-owned entity)                                | Chinese<br>Mainland                      | RMB187,500,000                                                                                    | 100%                                          | 100% | Manufacturing and<br>distribution of IT<br>products and provision<br>of IT services                |
| 摩托羅拉(武漢)移動技術通信有限<br>公司<br>(Motorola (Wuhan) Mobility<br>Technologies Communication<br>Company Limited) <sup>1</sup><br>(foreign-investment<br>enterprise<br>wholly-owned entity) | Chinese<br>Mainland                      | RMB60,000,000                                                                                     | 100%                                          | 100% | Manufacturing of mobile<br>products                                                                |
| 聯想凌拓科技有限公司<br>(Lenovo NetApp<br>Technology Limited) <sup>1</sup><br>(Chinese-foreign equity<br>joint venture)                                                                    | Chinese<br>Mainland                      | US\$10,000,000                                                                                    | 51%                                           | 51%  | Distribution of IT products<br>and data management<br>solution                                     |
| Lenovo PC HK Limited                                                                                                                                                             | Hong Kong<br>S.A.R. of<br>China          | HK\$2,377,934,829.50<br>(ordinary shares) and<br>HK\$1,000,000<br>(non-voting deferred<br>shares) | 100%                                          | 100% | Procurement agency<br>and distribution of IT<br>products                                           |
| Lenovo Ireland International<br>Limited                                                                                                                                          | Ireland                                  | EUR100                                                                                            | 100%                                          | -    | Intellectual properties,<br>procurement agency<br>and distribution of IT<br>products               |
| Lenovo PC International Limited                                                                                                                                                  | Hong Kong<br>S.A.R. of<br>China          | HK\$4,758,857,785                                                                                 | 100%                                          | 100% | Intellectual properties                                                                            |
| Lenovo (Schweiz) GmbH                                                                                                                                                            | Switzerland                              | CHF2,000,000                                                                                      | 100%                                          | 100% | Manufacturing and<br>distribution of IT<br>products                                                |
| Lenovo (Singapore) Pte. Ltd.                                                                                                                                                     | Singapore                                | SGD6,346,398,233.74                                                                               | 100%                                          | 100% | Manufacturing and<br>wholesaling of<br>computers, computer<br>hardware and<br>peripheral equipment |
| Lenovo (Spain), S.L.U.                                                                                                                                                           | Spain                                    | EUR37,475,456.40                                                                                  | 100%                                          | 100% | Distribution of IT products                                                                        |

# Notes to the financial statements

For the year ended March 31, 2026

## 37 Principal subsidiaries (continued)

| Company name                                                                                                                          | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital | Percentage of<br>issued<br>share capital held |               | Principal activities                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                       |                                          |                                                            | 2026                                          | 2025          |                                                                                                                                         |
| Lenovo (Sweden) AB                                                                                                                    | Sweden                                   | SEK200,000                                                 | 100%                                          | 100%          | Distribution of IT products                                                                                                             |
| 聯想系統集成(深圳)有限公司<br>(Lenovo Systems Technology<br>Company Limited) <sup>1</sup><br>(limited liability company<br>(wholly-owned entity)) | Chinese<br>Mainland                      | RMB263,407,660                                             | 100%                                          | 100%          | Manufacturing and<br>distribution of IT<br>products                                                                                     |
| Lenovo Technology<br>(United Kingdom) Limited                                                                                         | United<br>Kingdom                        | GBP8,629,511                                               | 100%                                          | 100%          | Distribution of IT products                                                                                                             |
| Lenovo Technology B.V.                                                                                                                | Netherlands                              | EUR20,000                                                  | 100%                                          | 100%          | Investment holding                                                                                                                      |
| Lenovo Technology Sdn. Bhd.                                                                                                           | Malaysia                                 | MYR1,000,000                                               | 100%                                          | 100%          | Retail sale of computers,<br>computer equipment<br>and supplies                                                                         |
| Lenovo Tecnologia (Brasil) Ltda                                                                                                       | Brazil                                   | BRL8,311,660,307                                           | 100%                                          | 100%          | Manufacturing and<br>distribution of IT<br>products                                                                                     |
| Lenovo (Thailand) Limited                                                                                                             | Thailand                                 | THB263,000,000                                             | 100%                                          | 100%          | Distribution of IT products<br>as well as mobile phone,<br>smartphone and tablet,<br>server and storage                                 |
| Lenovo (United States) Inc.                                                                                                           | United States                            | US\$1                                                      | 100%                                          | 100%          | Distribution of IT products                                                                                                             |
| Lenovo Computer AG (Formerly<br>known as Medion AG)                                                                                   | Germany                                  | EUR48,418,400                                              | 100%<br>(iii)                                 | 100%<br>(iii) | Retail sale of computers,<br>computer equipment<br>and supplies                                                                         |
| Motorola Mobility Comércio de<br>Produtos Eletronicos Ltda.                                                                           | Brazil                                   | BRL756,663,401                                             | 100%                                          | 100%          | Distribution of<br>communication<br>products, developer,<br>owner, licensor<br>and seller of<br>communications<br>hardware and software |
| Motorola Mobility International<br>Sales LLC                                                                                          | United States                            | –                                                          | 100%                                          | 100%          | Holding company                                                                                                                         |

### 37 Principal subsidiaries (continued)

| Company name                                                                                                  | Place of incorporation/<br>establishment | Issued and fully<br>paid up capital/<br>registered capital | Percentage of<br>issued<br>share capital held |                | Principal activities                                                          |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------|-----------------------------------------------|----------------|-------------------------------------------------------------------------------|
|                                                                                                               |                                          |                                                            | 2026                                          | 2025           |                                                                               |
| Motorola Mobility LLC                                                                                         | United States                            | –                                                          | 100%                                          | 100%           | Developer, owner, licensor and seller of communications hardware and software |
| NEC Personal Computers, Ltd.                                                                                  | Japan                                    | JPY500,000,000                                             | 95.10%<br>(iv)                                | 95.10%<br>(iv) | Manufacturing and distribution of IT products                                 |
| 深圳聯想海外控股有限公司<br>(Shenzhen Lenovo Overseas Holdings Limited) <sup>i</sup><br>(wholly-foreign owned enterprise) | Chinese Mainland                         | US\$804,020,300                                            | 100%                                          | 100%           | Investment management                                                         |
| Shimane Fujitsu Limited                                                                                       | Japan                                    | JPY450,000,000                                             | 51%                                           | 51%            | Manufacturing and distribution of IT products                                 |
| Stoneware, Inc.                                                                                               | United States                            | US\$0.1                                                    | 100%                                          | 100%           | Development and distribution of IT products                                   |

Notes:

- (i) All the above subsidiaries operate principally in their respective places of incorporation or establishment.
- (ii) All the Chinese Mainland subsidiaries are limited liability companies. They have adopted December 31 as their financial year end date for statutory reporting purposes. For the preparation of the consolidated financial statements, financial statements of these Chinese Mainland subsidiaries for the years ended March 31, 2026 and 2025 have been used.
- (iii) Lenovo Computer AG (formerly known as Medion AG) was a publicly traded German stock corporation listed on the Frankfurt am Main stock exchange and has been delisted in January 2025. At March 31, 2026, the percentage of issued capital held is equivalent to 100% (2025: 100%) including treasury shares.
- (iv) At March 31, 2026 and 2025, the Group held 95.10% in the ordinary shares of Lenovo NEC Holdings B.V., the immediate holding company of Lenovo Japan LLC and NEC Personal Computers, Ltd., while the remaining 4.90% ordinary shares and 42,700 deferred shares of Lenovo NEC Holdings B.V. were held by NEC Corporation.
- (v) The company whose English name denotes with a “i” is a direct transliteration of its Chinese registered name.

# Notes to the financial statements

For the year ended March 31, 2026

## 37 Principal subsidiaries (continued)

### Material non-controlling interests

Set out below is the summarized financial information of FCCL and its subsidiaries. The amounts disclosed are before inter-company eliminations with other companies of the Group.

|                                                        | 2026<br>US\$'000 | 2025<br>US\$'000 |
|--------------------------------------------------------|------------------|------------------|
| Revenue                                                | 1,689,850        | 1,660,459        |
| Profit for the year                                    | 123,897          | 115,095          |
| Other comprehensive (loss)/income                      | (43,282)         | 7,491            |
| Total comprehensive income                             | 80,615           | 122,586          |
| Net assets                                             |                  |                  |
| Non-current assets                                     | 174,676          | 134,474          |
| Current assets                                         | 908,177          | 880,597          |
| Current liabilities                                    | (383,731)        | (298,594)        |
| Non-current liabilities                                | (47,016)         | (48,353)         |
|                                                        | 652,106          | 668,124          |
| Cash flows                                             |                  |                  |
| Net cash generated from operating activities           | 57,199           | 72,669           |
| Net cash used in investing activities                  | (60,314)         | (14,202)         |
| Net cash used in financing activities                  | (4,459)          | (4,522)          |
| Effect of foreign exchange rate changes                | (22,629)         | 5,094            |
| Cash and cash equivalents at the beginning of the year | 360,928          | 301,889          |
| Cash and cash equivalents at the end of the year       | 330,725          | 360,928          |

## 38 Non-adjusting event after the reporting period

On April 9, 2026, the Group completed the acquisition of 100% interests 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.

## 39 Approval of financial statements

The financial statements were approved by the board of directors on May 22, 2026.

# Five-year financial summary

## Condensed consolidated income statement

|                                                                             | 2026<br>US\$'000  | 2025<br>US\$'000 | 2024<br>US\$'000 | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-----------------------------------------------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| Revenue                                                                     | <b>83,074,555</b> | 69,076,968       | 56,863,784       | 61,946,854       | 71,618,216       |
| Profit before taxation                                                      | <b>2,669,908</b>  | 1,480,870        | 1,365,454        | 2,135,987        | 2,767,731        |
| Taxation                                                                    | <b>(509,995)</b>  | (18,918)         | (263,142)        | (455,156)        | (622,399)        |
| Profit for the year                                                         | <b>2,159,913</b>  | 1,461,952        | 1,102,312        | 1,680,831        | 2,145,332        |
| Profit attributable to:                                                     |                   |                  |                  |                  |                  |
| Equity holders of the Company                                               | <b>1,911,951</b>  | 1,384,445        | 1,010,506        | 1,607,722        | 2,029,818        |
| Other non-controlling interests                                             | <b>247,962</b>    | 77,507           | 91,806           | 73,109           | 115,514          |
|                                                                             | <b>2,159,913</b>  | 1,461,952        | 1,102,312        | 1,680,831        | 2,145,332        |
| Earnings per share attributable to equity holders of the Company (US cents) |                   |                  |                  |                  |                  |
| Basic                                                                       | <b>15.63</b>      | 11.30            | 8.41             | 13.50            | 17.45            |
| Diluted                                                                     | <b>13.91</b>      | 10.62            | 8.05             | 12.74            | 15.77            |

## Condensed consolidated balance sheet

|                         | 2026<br>US\$'000  | 2025<br>US\$'000 | 2024<br>US\$'000 | 2023<br>US\$'000 | 2022<br>US\$'000 |
|-------------------------|-------------------|------------------|------------------|------------------|------------------|
| Non-current assets      | <b>17,926,798</b> | 16,326,729       | 16,063,771       | 15,979,204       | 15,513,581       |
| Current assets          | <b>39,202,296</b> | 27,904,083       | 22,687,183       | 22,940,853       | 28,996,863       |
| Total assets            | <b>57,129,094</b> | 44,230,812       | 38,750,954       | 38,920,057       | 44,510,444       |
| Non-current liabilities | <b>7,327,905</b>  | 7,576,762        | 6,610,604        | 6,779,679        | 6,357,008        |
| Current liabilities     | <b>41,357,576</b> | 29,994,133       | 26,059,163       | 26,093,357       | 32,758,735       |
| Total liabilities       | <b>48,685,481</b> | 37,570,895       | 32,669,767       | 32,873,036       | 39,115,743       |
| Net assets              | <b>8,443,613</b>  | 6,659,917        | 6,081,187        | 6,047,021        | 5,394,701        |



# Corporate information

## Honorary Chairman

Mr. Liu Chuanzhi

## Board of Directors

### **Chairman and executive director**

Mr. Yang Yuanqing

### **Non-executive directors**

Mr. Zhu Linan

Mr. Zhao John Huan

Mr. Wong Wai Ming

Ms. Laura Green Quatela

### **Independent non-executive directors**

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

Mr. Kasper Bo Roersted (alias Kasper Bo Rorsted)

## Chief Financial Officer

Mr. Cheng Shao-min Winston

## Company Secretary

Ms. Lam Ngan Ling

## Registered Office

23rd Floor, Lincoln House, Taikoo Place  
979 King's Road, Quarry Bay, Hong Kong

## Principal Bankers

Bank of China

BNP Paribas

Citibank, N.A.

DBS Bank Ltd.

## Independent Auditor

PricewaterhouseCoopers

*Certified Public Accountants and*

*Registered PIE Auditor*

22nd Floor, Prince's Building

Central, Hong Kong

## Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road, Hong Kong

## American Depositary Receipts

(Depositary and Registrar)

Citibank, N.A.

26th Floor, 388 Greenwich Street

New York, NY 10013, USA

## Stock Codes

Hong Kong Stock Exchange:

— HKD Counter 992

— RMB Counter 80992

American Depositary Receipts: LNVGY

## Website

[www.lenovo.com](http://www.lenovo.com)



[www.lenovo.com](http://www.lenovo.com)



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