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Lenovo

Lenovo Group Limited 聯想集團有限公司

(Incorporated in Hong Kong with limited liability)

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

FY2026/27 INTERIM RESULTS ANNOUNCEMENT

INTERIM RESULTS

The board of directors (the "Board") of Lenovo Group Limited (the "Company") announces the unaudited results of the Company and its subsidiaries (the "Group") for the three and six months ended September 30, 2026 together with comparative figures for the corresponding period of last year, as follows:

FINANCIAL HIGHLIGHTS

- Group revenue increased by 46 percent year-on-year to US$57.2 billion in the first half of the fiscal year. Adjusted profit attributable to equity holders grew by 170 percent year-on-year to US$2.4 billion on a non-HKFRS basis, excluding the impact from non-cash fair value loss on warrants, notional interest on convertible bonds and other non-cash items. Adjusted operating margin and adjusted net income margin expanded to 6.0 percent and 4.3 percent, respectively. Adjusted diluted earnings per share increased by 156 percent year-on-year
- In the second fiscal quarter, Group revenue increased by 48 percent year-on-year to a record US$30.2 billion. Adjusted profit attributable to equity holders grew by 166 percent year-on-year to US$1.4 billion, representing an increase of US$849 million. AI-related revenues rose by 79 percent year-on-year and represented 36 percent of the total revenue
- IDG delivered second fiscal quarter revenue of US$17.4 billion, up 15 percent year-on-year, while operating profit increased 11 percent to US$1.2 billion. Operating margin remained resilient at 7.1 percent, supported by a strategic shift towards premium products, with an improved mix and higher selling prices to offset volume pressure
- ISG revenue growth accelerated to 178 percent year-on-year to US$11.3 billion in the second fiscal quarter. Operating profit reached a record high of US$1.1 billion, while operating margin expanded to 9.6 percent. Broad-based momentum across traditional and AI servers was underpinned by a successful dual-engine model of CSP and Enterprise & SMB to capture both AI training and inferencing opportunities
- SSG revenue grew 20 percent year-on-year to US$3.1 billion in the second fiscal quarter, while operating profit rose by 40 percent year-on-year to US$801 million. Revenue mix from Managed Services and Projects & Solutions reached a record 63 percent of SSG revenue, reflecting the strength of the Group's tech-led, labor-light delivery model
- The Group maintained disciplined cash, liquidity, and credit risk management while continuing to invest in strategic growth initiatives. Operating cash flow increased to US$1.6 billion and free cash flow rose year-on-year to US$1.2 billion in the second fiscal quarter, driven by improved earnings quality, prudent working capital management, and disciplined capital expenditure

	3 months ended September 30, 2026 (unaudited) *US$ million*	6 months ended September 30, 2026 (unaudited) *US$ million*	3 months ended September 30, 2025 (unaudited) *US$ million*	6 months ended September 30, 2025 (unaudited) *US$ million*	Year-on-year change 3 months ended September 30	Year-on-year change 6 months ended September 30
Revenue	30,238	57,180	20,452	39,282	48%	46%
Gross profit	4,841	9,293	3,147	5,921	54%	57%
Gross profit margin	16.0%	16.3%	15.4%	15.1%	0.6 pts	1.2 pts
Operating expenses, excluding fair value change on warrants and other non-cash items	(2,905)	(5,834)	(2,391)	(4,534)	22%	29%
Operating profit before fair value change on warrants and other non-cash items	1,936	3,459	756	1,387	156%	149%
Fair value change on warrants	(1,906)	(3,596)	(148)	5	1,190%	N/A
Other non-cash items	(147)	39	35	36	N/A	9%
Operating (loss)/profit	(117)	(98)	643	1,428	N/A	N/A
Other non-operating income/(expenses) - net	(276)	(475)	(149)	(312)	86%	53%
(Loss)/profit before taxation	(393)	(573)	494	1,116	N/A	N/A
(Loss)/profit for the period	(713)	(1,190)	380	918	N/A	N/A
(Loss)/profit attributable to equity holders of the Company	(640)	(1,248)	340	846	N/A	N/A
(Loss)/earnings per share attributable to equity holders of the Company						
Basic	US(5.17) cents	US(10.21) cents	US2.77 cents	US6.89 cents	N/A	N/A
Diluted	US(5.17) cents	US(10.21) cents	US2.52 cents	US6.18 cents	N/A	N/A
Non-HKFRS measures [(1)]						
Adjusted operating profit	1,936	3,459	756	1,387	156%	149%
Adjusted profit before taxation	1,704	3,059	637	1,134	168%	170%
Adjusted profit for the period	1,367	2,454	534	946	156%	160%
Adjusted profit attributable to equity holders of the Company	1,361	2,436	512	901	166%	170%
Adjusted basic earnings per share	US11.00 cents	US19.92 cents	US4.16 cents	US7.34 cents	US6.84 cents	US12.58 cents
Adjusted diluted earnings per share	US8.59 cents	US15.80 cents	US3.48 cents	US6.17 cents	US5.11 cents	US9.63 cents

[(1)] Non-HKFRS measures were defined as financial metrics that exclude fair value change on warrants and other non-cash items. Information is provided under "Use of non-HKFRS measures" section on pages 11 to 14.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK9.0 cents (2025/26: HK8.5 cents) per share for the six months ended September 30, 2026, absorbing an aggregate amount of approximately US$147.1 million (2025/26: approximately US$135.4 million), to shareholders whose names appear on the register of members of the Company on Friday, December 11, 2026. The interim dividend will be paid on or about Wednesday, December 23, 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Friday, December 11, 2026, during which no transfer of shares will be registered. In order to qualify for the interim 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 no later than 4:30 p.m. on Thursday, December 10, 2026. Shares of the Company will be traded ex-dividend as from Wednesday, December 9, 2026.

BUSINESS REVIEW AND OUTLOOK

Group Highlights

Lenovo (the Group) delivered solid financial performance for the six months ended September 30, 2026. Group revenue increased by 46 percent year-on-year to a record high of US$57.2 billion. Adjusted profit attributable to equity holders in the first half grew 170 percent year-on-year, reaching US$2,436 million, and adjusted net margin expanded by 197 basis points year-on-year to 4.3 percent, reflecting the Group's continued focus on profitability and improved operating leverage across its three business groups. Adjusted diluted earnings per share increased by 156 percent year-on-year.

On a HKFRS basis, the Group recorded loss attributable to equity holders of US$1,248 million, mainly due to the impact of a non-cash fair value loss on warrants of US$3,596 million.

Research and development expenses increased by 34 percent year-on-year, supporting the advancement of the Group's Hybrid AI strategy and the expansion of AI capabilities across a diversified business portfolio. Through its "Smarter AI for All" vision, Lenovo continues to strengthen its AI leadership by expanding capabilities across devices, infrastructure, software, solutions and services. At Tech World @ CES 2027, the Group will showcase its latest innovations in Hybrid AI, including highly personalized and privacy-centric AI experiences, greater efficiency across the AI stack, and trusted AI architectures that enable secure AI adoption while preserving customer control over data and intelligence.

Beyond continued innovation, the Group's global supply chain and differentiated Global/Local model further strengthen its competitiveness and market leadership amid supply-demand imbalances and a challenging environment, positioning the Group, as a full-stack device and compute leader, to capture multi-year AI growth opportunities.

The Group continued to advance its ESG initiatives, receiving an upgrade to AAA, the highest rating under Hang Seng Indexes' 2026 Sustainability Ratings, and achieving its highest-ever ranking of fifth in the 2026 Gartner® Supply Chain Top 25. The Group also made its debut on TIME's World's Best Companies 2026 list, ranking 51st globally. In inclusion, the Group was named one of Forbes' World's Best Employers 2026, ranked 18th in Forbes' World's Top Companies for Women 2026, and was recognized as a World's Top Disability Inclusive Business.

Second Fiscal Quarter Group Performance

In the second fiscal quarter, Group revenue reached a record US$30.2 billion, surpassing the US$30 billion milestone for the first time and growing 48 percent year-on-year. Adjusted profit attributable to equity holders reached a record US$1,361 million, up 166 percent year-on-year, representing an increase of US$849 million, with the adjusted net income margin expanding to 4.5 percent. The strong results were driven by a growing revenue scale and increased profit contributions from high-value business portfolios spanning infrastructure, PC and smart devices, and services and solutions.

In the second fiscal quarter, AI-related revenues grew by 79 percent to US$10.8 billion, accounting for 36 percent of total Group revenue. All three Business Groups achieved record-high second fiscal quarter revenues, while sustaining profit margins.

IDG maintained resilient profitability driven by a strategic shift towards premium products, with an improved mix and higher selling prices to offset volume decline. The Group strengthened its global PC market share with a widened market share lead over the next player and sustained its number one market position in AI PC. Motorola smartphones delivered record second-quarter revenue, with strong momentum across key regions.

ISG delivered record revenue, with operating profit surpassing the US$1 billion milestone for the first time and operating margin expanding to a record 9.6 percent. Enterprise & SMB revenue grew 200 percent year-on-year, driven by productivity and operational improvement goals. AI server revenue grew more than 300 percent year-on-year, supported by a robust US$80 billion pipeline and strengthened capabilities to deliver integrated, rack-scale AI infrastructure and solutions at scale.

SSG continued to outpace market growth and expanded its operating margin to a record high, driven by increased revenue mix from Managed Services and Projects and Solutions. The strong performance reinforced the shift toward scalable, tech-led, labor-light enterprise AI solutions.

The Group maintained disciplined cash, liquidity, and credit risk management while continuing to invest in strategic growth initiatives. Operating cash flow reached US$1.6 billion, providing a solid funding base for growth initiatives. Free cash flow increased year-on-year to US$1.2 billion, supported by improved earnings quality, prudent working capital management and controlled capital expenditure. In pursuing the substantial growth opportunities in AI servers, the Group adopts a measured approach, partnering with third-party financial institutions to support customers' financing needs while maintaining prudent credit risk controls and payment terms for non-investment grade customers.

Performance by Business Group

Intelligent Devices Group

The Intelligent Devices Group (IDG), which comprises PCs, tablets, smartphones, and other smart devices, delivered strong results in the first half. Revenue increased by 21 percent year-on-year, while operating profits rose by 19 percent year-on-year. This performance was supported by disciplined operational execution and an improved product mix driven by the continued shift towards premium products and AI PCs.

In the second fiscal quarter, IDG's revenue reached US$17.4 billion, up 15 percent year-on-year, driven by double-digit revenue growth in both PCSD and smartphones. Operating profit margin remained resilient at 7.1 percent, despite a challenging operating environment, as an improved product mix and higher average selling prices helped offset volume pressures and sustain industry-leading profitability.

IDG further strengthened its global PC leadership, achieving record second-quarter PCSD revenue. The Group widened its market share lead over the second-largest player for the 11th consecutive quarter, reaching a record 7.2 percentage points. It maintained its number one position in the fast-growing AI PC with strong double-digit year-on-year revenue growth, positioning it to capture opportunities arising from accelerating Personal AI adoption.

The Group continued to advance its premiumization strategy and strengthen its leadership in the premium PC segment, with premium PCs accounting for 63 percent of total PC shipments in the second fiscal quarter, an increase of 13.5 percentage points year-on-year. Non-PC adjacencies delivered high double-digit year-on-year revenue growth, supported by an expanded portfolio across software, services, tablets and accessories.

The smartphone business achieved record second-quarter revenue, with double-digit year-on-year growth supported by balanced growth and strong activation trends across key sales geographies.

With a scale of approximately 150 million devices shipped over the past four quarters, the Group is well positioned to gain market share, grow revenue and optimize profitability through an increasingly premium and AI-enabled portfolio with a higher-value product mix. The Group remains focused on capturing long-term opportunities in the agentic AI era by building an ecosystem that delivers personalized AI experiences across

multiple devices. Through closer collaboration with leading AI model providers, the Group continues to enhance device-native AI experiences centered on its personal AI agents, Qira and Tianxi. Further innovations and new products are planned for launch at Lenovo Tech World at Sphere in January 2027.

Infrastructure Solutions Group

ISG delivered record first-half revenue of US$19.9 billion, up 137 percent year-on-year, and achieved a half-year operating profit of US$1,868 million. Broad-based momentum across its portfolios supported further progress in its transformation toward sustainable growth and profitability. The Group also strengthened its global leadership in x86 server segment, ranking number one by shipments with a market share of 16 percent, up 6 percentage points year-on-year.

In the second fiscal quarter, ISG achieved record quarterly revenue of US$11.3 billion, up 178 percent year-on-year, driven by a successful dual-engine model of CSP and Enterprise & SMB to capture both AI training and inferencing opportunities. Operating profit exceeded US$1 billion for the first time to reach US$1,091 million, and operating profit margin also rose to a record 9.6 percent, supported by an expanding and diversified customer base, improved operational efficiency and disciplined execution.

Enterprise AI adoption is accelerating, driven by modernization and rising agentic AI demand. Enterprise & SMB revenue grew 200 percent year-on-year during this quarter. The business captured greater value and profitability with a proven transactional model, a diversified customer base and operational excellence, while continuing to expand the global reach across all sales geographies.

To address ongoing demand for compute in enterprise environments, the Group launched Lenovo AI Express, offering validated, right-sized configurations with an order-to-ship target of as little as 15 business days to help enterprises accelerate AI deployment.

AI server revenue grew more than 300 percent year-on-year, supported by an US$80 billion AI server pipeline, up 48 percent quarter-on-quarter. ISG continued to strengthen AI infrastructure capabilities through system enhancement, deepened engineering expertise and innovation in cooling technologies. The Group shipped its first NVIDIA Vera Rubin NVL72 racks globally and successfully completed first-wave validation of Vera 256 CPU racks.

In the storage segment, the Group also delivered its best quarterly results with Infinidat, which expands its enterprise storage capabilities and helps customers achieve data resilience. Leveraging its Hybrid AI Advantage and differentiated ODM+ model, the Group is well positioned to address growing demand for scalable, efficient and secure AI infrastructure solutions across cloud and enterprise environments.

Solutions & Services Group

The Solutions & Services Group (SSG) delivered record first-half performance in FY26/27, with revenue increasing by 24 percent year-on-year to US$6.0 billion. Operating profit grew by 40 percent year-on-year, while operating profit margin reached 25 percent, reflecting the strength of our tech-led, labor-light delivery model.

In the second fiscal quarter, SSG achieved record quarterly revenue of US$3.1 billion, up 20 percent year-on-year, surpassing US$3 billion for the first time, with all business segments outperforming market growth. Operating profit margin expanded by 3.7 percentage points year-on-year to a record 26.0 percent. Managed Services and Projects & Solutions accounted for a record 63 percent of SSG revenue, underscoring the continued shift towards higher-value solutions.

AI Services delivered triple-digit year-on-year revenue growth. SSG continued to strengthen its Hybrid AI Advantage, expanding its portfolio of AI-powered solutions and accelerating adoption across priority verticals such as retail, manufacturing and sports.

The Group further expanded its AI Library of validated use cases, delivering measurable customer outcomes. Through Lenovo's Hybrid AI Factory, SSG helped customers reduce IT cost and improve productivity across complex hybrid environments—with autonomous execution resolving more than 90 percent of eligible requests

without user intervention. Lenovo's Hybrid AI Services also supported faster enterprise AI deployment and scaling, enabling customers to move from proof of concept to full deployment in around 90 days.

A key differentiator is the Group's Forward Deployed Engineering model, which embeds multidisciplinary teams of software, data, and edge AI engineers directly into customer environments to accelerate the transition from proof of concept to full-scale production. Together, these initiatives further reinforced SSG's differentiated service capabilities and positioned it to capture long-term growth opportunities in Hybrid AI.

Geographic Performance

Lenovo operates across 180 markets, leveraging its diversified presence to deliver balanced growth globally. In the first half of FY26/27, Asia Pacific, EMEA, China and the Americas each contributed between 17 percent and 37 percent of consolidated revenue.

Asia Pacific (excluding China) delivered 26 percent year-on-year revenue growth in the first half of FY26/27. IDG maintained its number one PC market position in the region, while both PC and smartphone businesses achieved double-digit revenue growth in the first half of FY26/27.

China achieved 38 percent year-on-year revenue growth in the first half of FY26/27, with strong performance across its businesses. IDG maintained its leading PC market position with continued market share gain, alongside double-digit revenue growth in both commercial and consumer segments. ISG delivered exceptional growth in its Enterprise & SMB business, together with strong expansion in the cloud service provider segment. SSG maintained strong double-digit growth in its core services business, with continued momentum in service-led solutions.

EMEA revenue increased 41 percent year-on-year in the first half of FY26/27. The Group maintained its number one PC market position in the region for the 18th consecutive quarter. IDG recorded double-digit smartphone revenue growth in both Europe and META, while SSG maintained double-digit growth in its core services business across the region, with notable gains in Digital Workplace Solutions.

The Americas recorded 66 percent year-on-year revenue growth in the first half of FY26/27, driven by strong expansion in North America. IDG achieved the number two position in the North America consumer PC market for the first time in the second fiscal quarter, alongside robust PC and smart devices revenue growth in Latin America. ISG further strengthened its advanced AI infrastructure manufacturing capabilities through the expansion of the North Carolina Smart Campus, including the production of its first liquid-cooled GB300 rack. SSG delivered solid service-led growth across North and Latin America, with strong momentum in Hybrid Cloud Services in North America.

Outlook and Strategic Highlights

Building on its strong first-half performance, the Group will continue to advance its Hybrid AI strategy toward the vision of "Smarter AI for All", bringing together on-device intelligence, edge computing and enterprise AI across its portfolio of devices, infrastructure, solutions and services. Leveraging its technological capabilities, operational agility and global presence, the Group remains focused on disciplined execution and sustainable growth while navigating market volatility and evolving customer needs.

Looking ahead, growing demand for more personalized, efficient and secure AI solutions is expected to accelerate AI adoption across both personal and enterprise applications. In Personal AI, the Group remains committed to its "One Personal AI, Multiple Devices" vision, delivering increasingly intuitive and connected AI experiences across devices and platforms. The Group will further integrate its devices, software and services capabilities to enhance user experience and capture opportunities arising from broader AI adoption.

In Enterprise AI, the Group will strengthen its AI infrastructure capabilities to support customers' evolving requirements and address growing demand for AI training and inferencing. In Solutions and Services, the Group will continue to advance its Hybrid AI Advantage offerings, with a focus on scalable, industry-specific AI solutions, AI Factory capabilities and the underlying technology platforms. By combining infrastructure, solutions and services, the Group accelerates the process for enterprises to move from AI experimentation to deployment at scale, delivering measurable business outcomes while supporting long-term, sustainable growth.

FINANCIAL REVIEW

Results for the six months ended September 30, 2026

	6 months ended September 30, 2026 (unaudited) *US$ million*	6 months ended September 30, 2025 (unaudited) *US$ million*	Year-on-year change
Revenue	**57,180**	39,282	46%
Gross profit	**9,293**	5,921	57%
Gross profit margin	**16.3%**	15.1%	1.2 pts
Operating expenses	**(9,391)**	(4,493)	109%
Operating (loss)/profit	**(98)**	1,428	N/A
Other non-operating income/(expenses) – net	**(475)**	(312)	53%
(Loss)/profit before taxation	**(573)**	1,116	N/A
(Loss)/profit for the period	**(1,190)**	918	N/A
(Loss)/profit attributable to equity holders of the Company	**(1,248)**	846	N/A
(Loss)/earnings per share attributable to equity holders of the Company			
Basic	**US(10.21) cents**	US6.89 cents	N/A
Diluted	**US(10.21) cents**	US6.18 cents	N/A

For the six months ended September 30, 2026, the Group recorded total sales of approximately US$57,180 million. Compared with the corresponding period of last year, gross profit margin increased by 1.2 percentage points to 16.3 percent, primarily driven by improved profitability in the ISG business. Loss attributable to equity holders of the Company for the period was US$1,248 million, compared with profit attributable to equity holders of the Company of US$846 million for the corresponding period of last year. The loss was primarily attributable to the fair value loss of US$3,596 million on derivative financial liabilities relating to warrants recognized during the current period. Net loss margin attributable to equity holders of the Company was 2.2 percent, compared with a net profit margin attributable to equity holders of the Company of 2.2 percent for the corresponding period of last year. Basic and diluted loss per share were US10.21 cents, compared with basic and diluted earnings per share of US6.89 cents and US6.18 cents, respectively, for the corresponding period of last year.

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

Analysis of operating expenses by function for the six months ended September 30, 2026 and 2025 is as follows:

	6 months ended September 30, 2026 *US$'000*	6 months ended September 30, 2025 *US$'000*
Selling and distribution expenses	**(2,401,112)**	(1,918,530)
Administrative expenses	**(1,497,030)**	(1,478,556)
Research and development expenses	**(1,476,012)**	(1,104,786)
Other operating income/(expenses) – net	**(4,016,565)**	8,494
	(9,390,719)	(4,493,378)

Operating expenses for the period increased by 109 percent compared with the corresponding period of last year. The increase was mainly attributable to a fair value loss of US$3,596 million on derivative financial liabilities relating to warrants (2025/26: a fair value gain of US$5 million). The increase was also attributable to higher employee benefit costs, which increased by US$370 million due to higher headcount, increased sales commissions and higher long-term incentive awards. Advertising and promotional expenses increased by US$34 million, primarily attributable to special promotional campaigns, including FIFA World Cup-related marketing activities, and new product launches. Research and development related laboratory testing, services and supplies increased by US$146 million, reflecting the Group's continued investment in new product development. A net increase in loss allowance of trade receivables of US$175 million (2025/26: US$24 million) was recognized, reflecting the Group's assessment of expected credit losses. A portion of the receivables underlying the loss allowance is covered by credit insurance, which is expected to mitigate the Group's ultimate losses through the related insurance recoveries. In addition, the Group recorded a net foreign exchange loss of US$166 million (2025/26: US$30 million), primarily due to currency fluctuations. The Group also recorded asset impairment and write-off charges of US$29 million during the period (2025/26: write-off charges of US$17 million). Partially offsetting these increases, fair value gains on strategic investments amounted to US$124 million (2025/26: US$86 million), reflecting changes in the value of the Group's investment portfolio.

Key expenses by nature comprise:

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
Depreciation of property, plant and equipment	**(103,397)**	(101,765)
Depreciation of right-of-use assets	**(48,559)**	(47,787)
Amortization of intangible assets, excluding internal use software	**(57,853)**	(46,970)
Impairment and write-off of intangible assets	**(27,786)**	(17,100)
Write-off of construction-in-progress	**(397)**	(121)
Impairment and write-off of property, plant and equipment	**(530)**	(23)
Employee benefit costs, including	**(2,998,090)**	(2,628,254)
- *long-term incentive awards*	***(191,338)***	*(162,242)*
- *severance and related costs*	***(29,793)***	*(23,557)*
Rental expenses	**(9,165)**	(9,799)
Net foreign exchange loss	**(166,255)**	(29,982)
Advertising and promotional expenses	**(638,555)**	(604,529)
Legal, professional and consulting expenses	**(190,639)**	(193,587)
Information technology expenses, including	**(162,639)**	(176,259)
- *amortization of internal use software*	***(106,802)***	*(111,063)*
Increase in loss allowance of trade receivables	**(197,299)**	(38,878)
Unused amounts of loss allowance of trade receivables reversed	**22,238**	15,290
Increase in loss allowance of lease receivables	**(2,675)**	(8,183)
Unused amounts of loss allowance of lease receivables reversed	**1,786**	-
Research and development related laboratory testing, services and supplies	**(334,934)**	(189,088)
Gain/(loss) on disposal of property, plant and equipment	**702**	(2,877)
Loss on disposal of intangible assets	**-**	(131)
Loss on disposal of construction-in-progress	**-**	(385)
Fair value gain on financial assets at fair value through profit or loss	**124,431**	85,781
Fair value (loss)/gain on derivative financial liabilities relating to warrants	**(3,595,865)**	4,601
Impairment of interests in associates	**(23,272)**	-
Dilution gain on interest in an associate	**-**	432
Gain on disposal of interests in associates	**-**	826
Others	**(981,966)**	(504,590)
	(9,390,719)	(4,493,378)

Other non-operating income/(expenses) – net for the six months ended September 30, 2026 and 2025 comprise:

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
Finance income	**58,837**	54,821
Finance costs	**(440,346)**	(357,148)
Share of losses of associates and joint ventures	**(93,346)**	(9,014)
	(474,855)	(311,341)

Finance income mainly represents interest income on bank deposits.

Finance costs for the period increased by 23 percent compared with the corresponding period of last year. The increase was mainly attributable to higher factoring costs of US$53 million, increased interest on bank loans and overdrafts of US$8 million, and increased interest on convertible bonds of US$15 million.

Share of losses of associates and joint ventures primarily represents operating losses arising from the principal business activities of the 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:

	6 months ended September 30, 2026		6 months ended September 30, 2025	
	Revenue ***US$'000***	**Operating profit** ***US$'000***	Revenue *US$'000*	Operating profit/(loss) *US$'000*
IDG	**34,470,536**	**2,435,850**	28,566,558	2,051,216
ISG	**19,854,887**	**1,867,958**	8,377,292	(117,555)
SSG	**5,960,251**	**1,497,457**	4,813,542	1,071,817
Total	**60,285,674**	**5,801,265**	41,757,392	3,005,478
Eliminations	**(3,105,351)**	**(1,267,979)**	(2,475,501)	(844,980)
	57,180,323	**4,533,286**	39,281,891	2,160,498
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(1,372,058)**		(919,693)
Depreciation and amortization		**(193,620)**		(186,402)
Finance income		**48,347**		47,424
Finance costs		**-**		(65,570)
Share of losses of associates and joint ventures		**(89,515)**		(8,266)
Gain/(loss) on disposal of property, plant and equipment		**176**		(1,096)
Fair value gain on financial assets at fair value through profit or loss		**118,355**		82,137
Fair value (loss)/gain on derivative financial liabilities relating to warrants		**(3,595,865)**		4,601
Impairment of interests in associates		**(23,272)**		-
Dilution gain on interest in an associate		**-**		432
Gain on disposal of interest in an associate		**-**		99
Dividend income		**1,434**		2,225
Consolidated (loss)/profit before taxation		**(572,732)**		1,116,389

Headquarters and corporate income/(expenses) – net for the period comprised various corporate expenses of US$1,372 million (2025/26: US$920 million), after appropriate allocations to business groups, including employee benefit costs, legal, professional and consulting expenses, and research and technology expenses. The increase was primarily due to higher net foreign exchange loss and increased provisions for claims, compared with the corresponding period of last year.

Results for the three months ended September 30, 2026

	3 months ended September 30, 2026 (unaudited) *US$ million*	3 months ended September 30, 2025 (unaudited) *US$ million*	Year-on-year change
Revenue	**30,238**	20,452	48%
Gross profit	**4,841**	3,147	54%
Gross profit margin	**16.0%**	15.4%	0.6 pts
Operating expenses	**(4,958)**	(2,504)	98%
Operating (loss)/profit	**(117)**	643	N/A
Other non-operating income/(expenses) – net	**(276)**	(149)	86%
(Loss)/profit before taxation	**(393)**	494	N/A
(Loss)/profit for the period	**(713)**	380	N/A
(Loss)/profit attributable to equity holders of the Company	**(640)**	340	N/A
(Loss)/earnings per share attributable to equity holders of the Company			
Basic	**US(5.17) cents**	US2.77 cents	N/A
Diluted	**US(5.17) cents**	US2.52 cents	N/A

For the three months ended September 30, 2026, the Group recorded total sales of approximately US$30,238 million. Compared with the corresponding period of last year, gross profit margin increased by 0.6 percentage points to 16.0 percent, primarily driven by improved profitability in the ISG business. Loss attributable to equity holders of the Company for the period was US$640 million, compared with profit attributable to equity holders of the Company of US$340 million for the corresponding period of last year. The loss was primarily attributable to the fair value loss of US$1,906 million on derivative financial liabilities relating to warrants recognized during the current period. Net loss margin attributable to equity holders of the Company was 2.1 percent, compared with a net profit margin attributable to equity holders of the Company of 1.7 percent for the corresponding period of last year. Basic and diluted loss per share were US5.17 cents, compared with basic and diluted earnings per share of US2.77 cents and US2.52 cents, respectively, for the corresponding period of last year.

Analysis of operating expenses by function for the three months ended September 30, 2026 and 2025 is as follows:

	3 months ended September 30, 2026 *US$'000*	3 months ended September 30, 2025 *US$'000*
Selling and distribution expenses	**(1,134,294)**	(963,237)
Administrative expenses	**(861,223)**	(801,435)
Research and development expenses	**(793,993)**	(580,585)
Other operating income/(expenses) – net	**(2,168,442)**	(158,453)
	(4,957,952)	(2,503,710)

Operating expenses for the period increased by 98 percent compared with the corresponding period of last year. The increase was mainly attributable to a fair value loss of US$1,906 million on derivative financial liabilities relating to warrants (2025/26: US$148 million). The increase was also attributable to higher employee benefit costs, which increased by US$159 million due to higher headcount, increased sales commissions and higher long-term incentive awards. Research and development related laboratory testing, services and supplies increased by US$78 million, reflecting the Group's continued investment in new product development. A net increase in loss allowance of trade receivables of US$162 million (2025/26: US$7 million) was recognized, reflecting the Group's assessment of expected credit losses. A portion of the receivables underlying the loss allowance is covered by credit insurance, which is expected to mitigate the Group's ultimate losses through the related insurance recoveries. In addition, the Group recorded a net foreign exchange loss of US$40 million (2025/26: US$24 million), primarily due to currency fluctuations. The Group also recorded fair value loss on strategic investments of US$126 million (2025/26: fair value gain of US$65 million), reflecting changes in the value of the Group's investment portfolio.

Key expenses by nature comprise:

	3 months ended September 30, 2026 ***US$'000***	3 months ended September 30, 2025 *US$'000*
Depreciation of property, plant and equipment	**(51,145)**	(50,879)
Depreciation of right-of-use assets	**(23,398)**	(24,235)
Amortization of intangible assets, excluding internal use software	**(29,300)**	(24,157)
Impairment and write-off of intangible assets	**(5,954)**	(14,211)
Impairment of property, plant and equipment	**(530)**	-
Employee benefit costs, including	**(1,552,958)**	(1,394,030)
- *long-term incentive awards*	***(87,489)***	*(82,327)*
- *severance and related costs*	***(19,104)***	*(18,557)*
Rental expenses	**(5,037)**	(4,643)
Net foreign exchange loss	**(40,185)**	(23,986)
Advertising and promotional expenses	**(277,442)**	(296,466)
Legal, professional and consulting expenses	**(93,964)**	(105,858)
Information technology expenses, including	**(81,223)**	(81,560)
- *amortization of internal use software*	***(55,947)***	*(54,763)*
Increase in loss allowance of trade receivables	**(170,430)**	(17,515)
Unused amounts of loss allowance of trade receivables reversed	**8,314**	10,185
Increase in loss allowance of lease receivables	**(1,878)**	(2,696)
Unused amounts of loss allowance of lease receivables reversed	**1,289**	-
Research and development related laboratory testing, services and supplies	**(188,338)**	(110,528)
Gain/(loss) on disposal of property, plant and equipment	**1,015**	(2,309)
Loss on disposal of intangible assets	**-**	(79)
Loss on disposal of construction-in-progress	**-**	(385)
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(125,652)**	64,888
Fair value loss on derivative financial liabilities relating to warrants	**(1,905,566)**	(147,760)
Dilution gain on interest in an associate	**-**	432
Gain on disposal of interest in an associate	**-**	99
Others	**(415,570)**	(278,017)
	(4,957,952)	(2,503,710)

Other non-operating income/(expenses) – net for the three months ended September 30, 2026 and 2025 comprise:

	3 months ended September 30, 2026 ***US$'000***	3 months ended September 30, 2025 *US$'000*
Finance income	**33,522**	27,095
Finance costs	**(222,396)**	(170,585)
Share of losses of associates and joint ventures	**(86,858)**	(5,146)
	(275,732)	(148,636)

Finance income mainly represents interest income on bank deposits.

Finance costs for the period increased by 30 percent compared with the corresponding period of last year. The increase was mainly attributable to higher factoring costs of US$41 million, and increased interest on convertible bonds of US$12 million.

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

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

	3 months ended September 30, 2026		3 months ended September 30, 2025	
	Revenue	**Operating profit**	Revenue	Operating profit/(loss)
	US$'000	***US$'000***	*US$'000*	*US$'000*
IDG	**17,365,018**	**1,225,800**	15,107,220	1,100,786
ISG	**11,344,809**	**1,091,020**	4,087,143	(32,035)
SSG	**3,076,623**	**800,684**	2,555,824	571,045
Total	**31,786,450**	**3,117,504**	21,750,187	1,639,796
Eliminations	**(1,548,893)**	**(666,371)**	(1,298,165)	(451,820)
	30,237,557	**2,451,133**	20,452,022	1,187,976
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(659,833)**		(505,259)
Depreciation and amortization		**(99,655)**		(92,501)
Finance income		**25,739**		24,075
Finance costs		**-**		(31,571)
Share of losses of associates and joint ventures		**(84,258)**		(4,678)
Gain/(loss) on disposal of property, plant and equipment		**178**		(1,282)
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(121,467)**		63,432
Fair value loss on derivative financial liabilities relating to warrants		**(1,905,566)**		(147,760)
Dilution gain on interest in an associate		**-**		432
Gain on disposal of interest in an associate		**-**		99
Dividend income		**918**		1,322
Consolidated (loss)/profit before taxation		**(392,811)**		494,285

Headquarters and corporate income/(expenses) – net for the period comprised various corporate expenses of US$660 million (2025/26: US$505 million), after appropriate allocations to business groups, including employee benefit costs, legal, professional and consulting expenses, and research and technology expenses. The increase was primarily due to higher net foreign exchange loss and increased provisions for claims, compared with the corresponding period of last year.

Use of non-HKFRS measures

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

We define adjusted profit as (loss)/profit for the period by excluding (i) net fair value changes on financial assets at fair value through profit or loss, (ii) amortization of intangible assets resulting from mergers and acquisitions, (iii) mergers and acquisitions related charges, (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) impairment of interests in associates, and (viii) dilution gain on interest in an associate; 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 (loss)/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 incurs cost related to its mergers and acquisitions, which it would not have otherwise incurred as part of its operations. The charges are direct expenses such as third-party professional and legal fees, and integration-related costs. These charges related to mergers and acquisitions are inconsistent in amount and frequency and are significantly impacted by the timing and nature of the transactions. Management believes that eliminating such expenses for the purposes of calculating the non-HKFRS measure facilitates 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 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.

(viii) Lenovo recognizes dilution gain on interest in an associate. Such gains 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.

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 measures to the most directly comparable HKFRS financial measures are included in the tables below.

Six months ended September 30, 2026

	Operating (loss)/profit (unaudited) ***US$'000***	**(Loss)/profit before taxation (unaudited)** ***US$'000***	**(Loss)/profit for the period (unaudited)** ***US$'000***	**(Loss)/profit attributable to equity holders (unaudited)** ***US$'000***
As reported	**(97,877)**	**(572,732)**	**(1,190,343)**	**(1,248,458)**
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	**(124,431)**	**(124,431)**	**(101,875)**	**(62,494)**
Amortization of intangible assets resulting from mergers and acquisitions	**31,850**	**34,216**	**27,378**	**27,378**
Mergers and acquisitions related charges	**1,240**	**1,240**	**1,240**	**1,240**
Impairment and write-off of intangible assets, property, plant and equipment and construction-in-progress	**28,713**	**28,713**	**28,713**	**28,713**
Fair value loss on derivative financial liabilities relating to warrants	**3,595,865**	**3,595,865**	**3,595,865**	**3,595,865**
Notional interest on convertible bonds	**-**	**72,757**	**72,757**	**72,757**
Impairment of interests in associates	**23,272**	**23,272**	**20,693**	**20,693**
Adjusted	**3,458,632**	**3,058,900**	**2,454,428**	**2,435,694**

Six months ended September 30, 2025

	Operating profit (unaudited) *US$'000*	Profit before taxation (unaudited) *US$'000*	Profit for the period (unaudited) *US$'000*	Profit attributable to equity holders (unaudited) *US$'000*
As reported	1,427,730	1,116,389	917,842	845,609
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	(85,781)	(85,781)	(68,017)	(40,493)
Amortization of intangible assets resulting from mergers and acquisitions	32,825	35,191	27,471	27,471
Write-off of intangible assets, property, plant and equipment and construction-in-progress	17,244	17,244	17,244	17,244
Fair value gain on derivative financial liabilities relating to warrants	(4,601)	(4,601)	(4,601)	(4,601)
Notional interest on convertible bonds	-	56,291	56,291	56,291
Dilution gain on interest in an associate	(432)	(432)	(432)	(432)
Adjusted	1,386,985	1,134,301	945,798	901,089

Three months ended September 30, 2026

	Operating (loss)/profit (unaudited) *US$'000*	**(Loss)/profit before taxation (unaudited)** *US$'000*	**(Loss)/profit for the period (unaudited)** *US$'000*	**(Loss)/profit attributable to equity holders (unaudited)** *US$'000*
As reported	**(117,079)**	**(392,811)**	**(712,751)**	**(639,858)**
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	**125,652**	**125,652**	**111,998**	**32,956**
Amortization of intangible assets resulting from mergers and acquisitions	**15,326**	**16,509**	**13,273**	**13,273**
Impairment of intangible assets and property, plant and equipment	**6,484**	**6,484**	**6,484**	**6,484**
Fair value loss on derivative financial liabilities relating to warrants	**1,905,566**	**1,905,566**	**1,905,566**	**1,905,566**
Notional interest on convertible bonds	**-**	**42,556**	**42,556**	**42,556**
Adjusted	**1,935,949**	**1,703,956**	**1,367,126**	**1,360,977**

Three months ended September 30, 2025

	Operating profit (unaudited) *US$'000*	Profit before taxation (unaudited) *US$'000*	Profit for the period (unaudited) *US$'000*	Profit attributable to equity holders (unaudited) *US$'000*
As reported	642,921	494,285	380,292	340,276
Non-HKFRS adjustments				
Net fair value changes on financial assets at fair value through profit or loss	(64,888)	(64,888)	(50,369)	(32,249)
Amortization of intangible assets resulting from mergers and acquisitions	16,367	17,550	13,646	13,646
Write-off of intangible assets	14,211	14,211	14,211	14,211
Fair value loss on derivative financial liabilities relating to warrants	147,760	147,760	147,760	147,760
Notional interest on convertible bonds	-	28,474	28,474	28,474
Dilution gain on interest in an associate	(432)	(432)	(432)	(432)
Adjusted	755,939	636,960	533,582	511,686

Capital Expenditure

The Group incurred capital expenditure of US$784 million (2025/26: US$865 million) during the six months ended September 30, 2026, mainly for the acquisition of property, plant and equipment, additions to construction-in-progress and intangible assets. The decrease in capital expenditure compared with the corresponding period of last year was mainly attributable to lower investments in patents and technology, partly offset by increased investments in land and buildings and assets under construction.

Liquidity and Financial Resources

At September 30, 2026, total assets of the Group amounted to US$76,480 million (March 31, 2026: US$57,129 million), which were financed by equity attributable to owners of the Company of US$6,392 million (March 31, 2026: US$7,635 million), other non-controlling interests (net of put option written on non-controlling interests) of US$874 million (March 31, 2026: US$809 million), and total liabilities of US$69,214 million (March 31, 2026: US$48,685 million). At September 30, 2026, the current ratio of the Group was 0.98 (March 31, 2026: 0.95).

At September 30, 2026, bank deposits and cash and cash equivalents totaling US$6,293 million (March 31, 2026: US$4,983 million) were denominated in the following major currencies:

	September 30, 2026	March 31, 2026
	%	%
US dollar	**51.5**	47.0
Renminbi	**20.2**	22.1
Japanese Yen	**3.6**	5.7
Euro	**2.4**	5.3
Australian dollar	**0.6**	0.5
Other currencies	**21.7**	19.4
Total	**100.0**	100.0

The Group adopts a conservative policy to invest the surplus cash generated from operations. At September 30, 2026, 65 percent (March 31, 2026: 75 percent) of the Group's cash was held in bank deposits, while 35 percent (March 31, 2026: 25 percent) was invested in investment-grade liquid money market funds.

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 enhance balance sheet efficiency.

The Group has the following banking facilities:

				Utilized amount at	
Type	**Date of agreement**	**Principal amount** ***US$ million***	**Term**	**September 30, 2026** ***US$ million***	March 31, 2026 *US$ million*
Revolving loan facility	July 4, 2022	2,000	5 years	**-**	-
Revolving loan facility	April 30, 2026	300	1 year	**300**	N/A
Revolving loan facility	August 3, 2026	500	1 year	**-**	N/A

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

	Total available amount at		**Utilized amount at**	
Credit facilities	**September 30, 2026** ***US$ million***	March 31, 2026 *US$ million*	**September 30, 2026** ***US$ million***	March 31, 2026 *US$ million*
Trade lines	**13,365**	7,225	**10,149**	4,930
Short-term money market facilities	**3,921**	3,488	**42**	269
Forward foreign exchange contracts	**24,148**	17,678	**24,120**	17,651

In addition to the above facilities, the notes and convertible bonds issued by the Group and outstanding at September 30, 2026 were as follows. Further details of the Group's borrowings are set out in Note 13 to the Financial Information.

	Issue date	**Principal amount**	**Term**	**Interest/coupon rate per annum**	**Due date**	**Use of proceeds**
2030 Notes	November 2, 2020	US$900 million	10 years	3.421%	November 2, 2030	For repurchase of perpetual securities and previous Notes
2028 Notes	July 27, 2022	US$600 million	5.5 years	5.831%	January 27, 2028	For repayment of previous Notes and general corporate purposes
2032 Notes	July 27, 2022	US$563 million	10 years	6.536%	July 27, 2032	For financing of eligible projects under the Green Finance Framework
2028 Convertible Bonds	January 8, 2025	US$2,000 million	3 years	0%	January 8, 2028	For repayment of existing debts and general corporate purposes
2033 Convertible Bonds	June 25, 2026	US$2,000 million	7 years	0%	June 25, 2033	For repayment of existing debts, share buy-back and general corporate purposes

The Group's net cash position and gearing ratio as at September 30, 2026 and March 31, 2026 were as follows:

	September 30, 2026 ***US$ million***	March 31, 2026 *US$ million*
Bank deposits and cash and cash equivalents	**6,293**	4,983
Borrowings		
- Short-term loans	**345**	281
- Notes	**2,054**	2,053
- Convertible bonds	**3,364**	2,407
Net cash position	**530**	242
Total equity	**7,266**	8,444
Gearing ratio (Borrowings divided by total equity)	**0.79**	0.56

The Group is confident that its available facilities are sufficient to meet the funding requirements of its operations and business development. The Group is in full compliance with all banking covenants.

The Group adopts a consistent hedging policy for business transactions to reduce the risk of currency fluctuation arising from daily operations. At September 30, 2026, the Group had commitments in respect of outstanding forward foreign exchange contracts amounting to US$24,120 million (March 31, 2026: US$17,651 million). The Group's forward foreign exchange contracts are used either to hedge a percentage of future transactions which are highly probable, or as fair value hedges of identified assets and liabilities.

Contingent Liabilities

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

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT

	Note	**3 months ended September 30, 2026 (unaudited) *US$'000***	**6 months ended September 30, 2026 (unaudited) *US$'000***	3 months ended September 30, 2025 (unaudited) *US$'000*	6 months ended September 30, 2025 (unaudited) *US$'000*
Revenue	*2*	**30,237,557**	**57,180,323**	20,452,022	39,281,891
Cost of sales		**(25,396,684)**	**(47,887,481)**	(17,305,391)	(33,360,783)
Gross profit		**4,840,873**	**9,292,842**	3,146,631	5,921,108
Selling and distribution expenses		**(1,134,294)**	**(2,401,112)**	(963,237)	(1,918,530)
Administrative expenses		**(861,223)**	**(1,497,030)**	(801,435)	(1,478,556)
Research and development expenses		**(793,993)**	**(1,476,012)**	(580,585)	(1,104,786)
Other operating income/(expenses) - net		**(2,168,442)**	**(4,016,565)**	(158,453)	8,494
Operating (loss)/profit	*3*	**(117,079)**	**(97,877)**	642,921	1,427,730
Finance income	*4(a)*	**33,522**	**58,837**	27,095	54,821
Finance costs	*4(b)*	**(222,396)**	**(440,346)**	(170,585)	(357,148)
Share of losses of associates and joint ventures		**(86,858)**	**(93,346)**	(5,146)	(9,014)
(Loss)/profit before taxation		**(392,811)**	**(572,732)**	494,285	1,116,389
Taxation	*5*	**(319,940)**	**(617,611)**	(113,993)	(198,547)
(Loss)/profit for the period		**(712,751)**	**(1,190,343)**	380,292	917,842
(Loss)/profit attributable to:					
Equity holders of the Company		**(639,858)**	**(1,248,458)**	340,276	845,609
Other non-controlling interests		**(72,893)**	**58,115**	40,016	72,233
		(712,751)	**(1,190,343)**	380,292	917,842
(Loss)/earnings per share attributable to equity holders of the Company					
Basic	*6(a)*	**US(5.17) cents**	**US(10.21) cents**	US2.77 cents	US6.89 cents
Diluted	*6(b)*	**US(5.17) cents**	**US(10.21) cents**	US2.52 cents	US6.18 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended September 30, 2026 (unaudited) *US$'000*	**6 months ended September 30, 2026 (unaudited) *US$'000***	3 months ended September 30, 2025 (unaudited) *US$'000*	6 months ended September 30, 2025 (unaudited) *US$'000*
(Loss)/profit for the period	**(712,751)**	**(1,190,343)**	380,292	917,842
Other comprehensive income/(loss):				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations, net of taxes	**-**	**409**	-	1,183
Fair value change on financial assets at fair value through other comprehensive income, net of taxes	**(7,000)**	**1,781**	3,566	5,206
Items that have been reclassified or may be subsequently reclassified to profit or loss				
Fair value change on cash flow hedges from foreign exchange forward contracts, net of taxes				
- Fair value gain/(loss), net of taxes	**45,959**	**51,382**	57,319	(264,670)
- Reclassified to consolidated income statement	**(26,477)**	**(87,796)**	98,953	328,785
Currency translation differences	**103,193**	**329,846**	(31,959)	325,469
Other comprehensive income for the period	**115,675**	**295,622**	127,879	395,973
Total comprehensive (loss)/income for the period	**(597,076)**	**(894,721)**	508,171	1,313,815
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	**(535,388)**	**(958,416)**	477,898	1,239,282
Other non-controlling interests	**(61,688)**	**63,695**	30,273	74,533
	(597,076)	**(894,721)**	508,171	1,313,815

CONSOLIDATED BALANCE SHEET

	Note	**September 30, 2026 (unaudited)** ***US$'000***	March 31, 2026 (audited) *US$'000*
Non-current assets			
Property, plant and equipment		**2,493,243**	2,323,913
Right-of-use assets		**617,364**	648,835
Construction-in-progress		**485,028**	546,072
Intangible assets		**8,883,205**	7,920,745
Interests in associates and joint ventures		**152,929**	266,950
Deferred income tax assets		**4,309,968**	3,761,785
Financial assets at fair value through profit or loss		**2,275,534**	2,030,501
Financial assets at fair value through other comprehensive income		**102,498**	49,648
Other non-current assets		**386,470**	378,349
		19,706,239	17,926,798
Current assets			
Inventories	*8*	**20,591,289**	11,720,885
Trade, lease and notes receivables	*9(a)*	**19,861,695**	14,502,738
Derivative financial assets		**149,585**	174,916
Deposits, prepayments and other receivables	*10*	**9,460,145**	7,429,782
Income tax recoverable		**418,768**	390,444
Bank deposits		**161,665**	96,369
Cash and cash equivalents		**6,130,926**	4,887,162
		56,774,073	39,202,296
Total assets		**76,480,312**	57,129,094

CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**September 30, 2026 (unaudited) *US$'000***	March 31, 2026 (audited) *US$'000*
Share capital	*15*	**3,905,465**	3,500,987
Reserves		**2,486,356**	4,134,062
Equity attributable to owners of the Company		**6,391,821**	7,635,049
Other non-controlling interests		**1,422,026**	1,355,917
Put option written on non-controlling interests	*11(a)*	**(547,353)**	(547,353)
Total equity		**7,266,494**	8,443,613
Non-current liabilities			
Borrowings	*13*	**5,417,780**	3,862,595
Warranty provision	*11(b)*	**163,274**	169,547
Deferred revenue		**2,102,865**	1,969,201
Retirement benefit obligations		**199,633**	203,822
Deferred income tax liabilities		**374,638**	310,638
Derivative financial liabilities	*14*	**1,722,748**	45,182
Other non-current liabilities	*12*	**1,065,169**	766,920
		11,046,107	7,327,905
Current liabilities			
Trade and notes payables	*9(b)*	**28,670,898**	19,236,706
Derivative financial liabilities	*14*	**2,036,273**	99,239
Other payables and accruals	*11(a)*	**21,953,690**	17,279,079
Provisions	*11(b)*	**979,545**	945,068
Deferred revenue		**2,573,840**	1,987,839
Income tax payable		**1,608,829**	931,202
Borrowings	*13*	**344,636**	878,443
		58,167,711	41,357,576
Total liabilities		**69,213,818**	48,685,481
Total equity and liabilities		**76,480,312**	57,129,094

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended September 30, 2026 (unaudited) *US$'000***	6 months ended September 30, 2025 (unaudited) *US$'000*
Cash flows from operating activities			
Net cash generated from operations	*16(a)*	**2,710,842**	3,357,895
Interest paid		**(356,710)**	(317,738)
Tax paid		**(364,064)**	(278,072)
Net cash generated from operating activities		**1,990,068**	2,762,085
Cash flows from investing activities			
Purchase of property, plant and equipment		**(303,858)**	(239,563)
Sale of property, plant and equipment		**16,301**	24,662
Acquisition of businesses and subsidiaries, net of cash acquired	*16(c)*	**(432,280)**	-
Interests acquired in associates		**(593)**	(4,247)
Loans to an associate and a joint venture		**(32,916)**	(13,949)
Repayment of loan by an associate		**93,925**	8,554
Payment for construction-in-progress		**(254,272)**	(223,663)
Payment for intangible assets		**(225,381)**	(401,968)
Purchase of financial assets at fair value through profit or loss		**(162,976)**	(88,381)
Purchase of financial assets at fair value through other comprehensive income		**(24,633)**	-
Net proceeds from sale of financial assets at fair value through profit or loss		**76,958**	104,445
Net proceeds from sale of financial assets at fair value through other comprehensive income		**252**	-
Net proceeds from disposal of interests in associates		**8,466**	4,144
Increase in bank deposits		**(64,046)**	(6,756)
Dividends received		**1,791**	3,023
Interest received		**58,837**	54,821
Net cash used in investing activities		**(1,244,425)**	(778,878)
Cash flows from financing activities	*16(b)*		
Capital contribution from other non-controlling interests		**21,658**	23,158
Distribution to other non-controlling interests		**(3,079)**	(2,882)
Purchase of shares by employee share trusts		**(209,150)**	(128,807)
Principal elements of lease payments		**(56,712)**	(54,846)
Dividends paid		**(527,922)**	(478,387)
Dividends paid to other non-controlling interests		**(16,165)**	(15,689)
Proceeds from issue of convertible bonds		**2,000,000**	-
Issuing cost of convertible bonds		**(21,000)**	-
Repurchase of convertible bonds		**(659,823)**	-
Proceeds from loans		**4,891,217**	6,700,736
Repayments of loans		**(4,840,393)**	(6,727,797)
Repayment of notes		**-**	(965,000)
Proceeds from factoring of operating lease receivables		**12,137**	-
Repayments of factored operating lease receivables		**(5,571)**	-
Repayments of payment service arrangement		**(121,572)**	-
Net cash generated from/(used in) financing activities		**463,625**	(1,649,514)
Increase in cash and cash equivalents		**1,209,268**	333,693
Effect of foreign exchange rate changes		**34,496**	50,313
Cash and cash equivalents at the beginning of the period		**4,887,162**	4,728,124
Cash and cash equivalents at the end of the period		**6,130,926**	5,112,130

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Share capital (unaudited) *US$'000*	Investment revaluation reserve (unaudited) *US$'000*	Employee share trusts (unaudited) *US$'000*	Share-based compensation reserve (unaudited) *US$'000*	Hedging reserve (unaudited) *US$'000*	Exchange reserve (unaudited) *US$'000*	Other reserves (unaudited) *US$'000*	Retained earnings (unaudited) *US$'000*	Other non-controlling interests (unaudited) *US$'000*	Put option written on non-controlling interests (unaudited) *US$'000*	Total (unaudited) *US$'000*
At April 1, 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**
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,248,458)**	**58,115**	**–**	**(1,190,343)**
Other comprehensive income/(loss)	**–**	**1,781**	**–**	**–**	**(36,414)**	**324,266**	**–**	**409**	**5,580**	**–**	**295,622**
Total comprehensive income/(loss) for the period	**–**	**1,781**	**–**	**–**	**(36,414)**	**324,266**	**–**	**(1,248,049)**	**63,695**	**–**	**(894,721)**
Transfer to statutory reserves	**–**	**–**	**–**	**–**	**–**	**–**	**21,339**	**(21,339)**	**–**	**–**	**–**
Transfer of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income to retained earnings	**–**	**4,262**	**–**	**–**	**–**	**–**	**–**	**(4,262)**	**–**	**–**	**–**
Vesting of shares under long-term incentive program	**–**	**–**	**330,293**	**(615,201)**	**–**	**–**	**–**	**–**	**–**	**–**	**(284,908)**
Deferred tax in relation to long-term incentive program	**–**	**–**	**–**	**85,028**	**–**	**–**	**–**	**–**	**–**	**–**	**85,028**
Settlement of bonus through long-term incentive program	**–**	**–**	**–**	**12,307**	**–**	**–**	**–**	**–**	**–**	**–**	**12,307**
Share-based compensation	**–**	**–**	**–**	**191,338**	**–**	**–**	**–**	**–**	**–**	**–**	**191,338**
Purchase of shares by employee share trusts	**–**	**–**	**(209,150)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(209,150)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(527,922)**	**–**	**–**	**(527,922)**
Dividends paid to other non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(16,165)**	**–**	**(16,165)**
Capital contribution from other non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**21,658**	**–**	**21,658**
Distribution to other non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,079)**	**–**	**(3,079)**
Issue of convertible bonds	**–**	**–**	**–**	**–**	**–**	**–**	**493,760**	**–**	**–**	**–**	**493,760**
Repurchase of convertible bonds	**–**	**–**	**–**	**–**	**–**	**–**	**(46,090)**	**(403,653)**	**–**	**–**	**(449,743)**
Conversion of convertible bonds	**404,478**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**404,478**
At September 30, 2026	**3,905,465**	**(59,975)**	**(293,204)**	**(1,152,590)**	**68,065**	**(2,114,087)**	**993,410**	**5,044,737**	**1,422,026**	**(547,353)**	**7,266,494**
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 period	–	–	–	–	–	–	–	845,609	72,233	–	917,842
Other comprehensive income	–	5,206	–	–	64,115	323,169	–	1,183	2,300	–	395,973
Total comprehensive income for the period	–	5,206	–	–	64,115	323,169	–	846,792	74,533	–	1,313,815
Transfer to statutory reserve	–	–	–	–	–	–	21,348	(21,348)	–	–	–
Transfer of investment revaluation reserve upon disposal of financial assets at fair value through other comprehensive income to retained earnings	–	421	–	–	–	–	–	(421)	–	–	–
Vesting of shares under long-term incentive program	–	–	201,644	(248,278)	–	–	–	–	–	–	(46,634)
Deferred tax in relation to long-term incentive program	–	–	–	12,234	–	–	–	–	–	–	12,234
Settlement of bonus through long-term incentive program	–	–	–	13,071	–	–	–	–	–	–	13,071
Share-based compensation	–	–	–	162,242	–	–	–	–	–	–	162,242
Purchase of shares by employee share trusts	–	–	(128,807)	–	–	–	–	–	–	–	(128,807)
Dividends paid	–	–	–	–	–	–	–	(478,387)	–	–	(478,387)
Dividends paid to other non-controlling interests	–	–	–	–	–	–	–	–	(15,689)	–	(15,689)
Distribution to other non-controlling interests	–	–	–	–	–	–	–	–	(2,882)	–	(2,882)
At September 30, 2025	3,500,987	(74,114)	(68,515)	(863,460)	4,118	(2,499,178)	523,936	6,318,214	1,194,245	(547,353)	7,488,880

Notes

1 General information and basis of preparation

The financial information relating to the year ended March 31, 2026 included in the FY2026/27 interim results announcement does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

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

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

Basis of preparation

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

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

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

- Amendments to HKFRS 9 and HKFRS 7, Amendments to the classification and measurement of financial instruments
- Amendments to HKFRS 9 and HKFRS 7, Contracts referencing nature-dependent electricity
- Annual improvements to HKFRS accounting standards — Volume 11

2 Segment information

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

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

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

	6 months ended September 30, 2026		6 months ended September 30, 2025	
	Revenue ***US$'000***	**Operating profit** ***US$'000***	Revenue *US$'000*	Operating profit/(loss) *US$'000*
IDG	**34,470,536**	**2,435,850**	28,566,558	2,051,216
ISG	**19,854,887**	**1,867,958**	8,377,292	(117,555)
SSG	**5,960,251**	**1,497,457**	4,813,542	1,071,817
Total	**60,285,674**	**5,801,265**	41,757,392	3,005,478
Eliminations	**(3,105,351)**	**(1,267,979)**	(2,475,501)	(844,980)
	57,180,323	**4,533,286**	39,281,891	2,160,498
Unallocated:				
Headquarters and corporate income/(expenses) – net		**(1,372,058)**		(919,693)
Depreciation and amortization		**(193,620)**		(186,402)
Finance income		**48,347**		47,424
Finance costs		**-**		(65,570)
Share of losses of associates and joint ventures		**(89,515)**		(8,266)
Gain/(loss) on disposal of property, plant and equipment		**176**		(1,096)
Fair value gain on financial assets at fair value through profit or loss		**118,355**		82,137
Fair value (loss)/gain on derivative financial liabilities relating to warrants		**(3,595,865)**		4,601
Impairment of interests in associates		**(23,272)**		-
Dilution gain on interest in an associate		**-**		432
Gain on disposal of interest in an associate		**-**		99
Dividend income		**1,434**		2,225
Consolidated (loss)/profit before taxation		**(572,732)**		1,116,389

(b) Analysis of revenue by geography

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
China	**13,222,255**	9,561,384
Asia Pacific ("AP")	**10,003,216**	7,922,699
Europe-Middle East-Africa ("EMEA")	**12,666,028**	9,011,065
Americas ("AG")	**21,288,824**	12,786,743
	57,180,323	39,281,891

(c) Analysis of revenue by timing of revenue recognition

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
Point in time	**55,080,828**	37,426,433
Over time	**1,853,416**	1,690,952
Lease revenue	**246,079**	164,506
	57,180,323	39,281,891

(d) Other segment information

	IDG		ISG		SSG		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
For the six months ended September 30								
Depreciation and amortization	**423,451**	361,793	**121,397**	146,671	**8,189**	8,161	**553,037**	516,625
Finance income	**8,725**	6,744	**624**	99	**1,141**	554	**10,490**	7,397
Finance costs	**199,552**	174,241	**225,419**	116,148	**15,375**	1,189	**440,346**	291,578

(e) The directors review goodwill and trademarks and trade names with indefinite useful lives with an aggregate amount of US$6,613 million (March 31, 2026: US$6,203 million). The carrying amounts of goodwill and trademarks and trade names with indefinite useful lives are presented below:

At September 30, 2026

	China	**AP**	**EMEA**	**AG**	**Amounts pending allocation (a)**	**Total**
	US$ million	***US$ million***	***US$ million***	***US$ million***	***US$ million***	***US$ million***
Goodwill (b)						
- IDG	**972**	**482**	**305**	**1,588**	**-**	**3,347**
- ISG	**496**	**124**	**65**	**349**	**289**	**1,323**
- SSG (c)	**N/A**	**N/A**	**N/A**	**N/A**	**-**	**617**
Trademarks and trade names with indefinite useful lives						
- IDG	**182**	**55**	**125**	**480**	**-**	**842**
- ISG	**162**	**54**	**31**	**123**	**56**	**426**
- SSG (c)	**N/A**	**N/A**	**N/A**	**N/A**	**-**	**58**

At March 31, 2026

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

Notes:

(a) Amounts pending allocation is attributable to the acquisition of Infinidat Ltd. ("Infinidat"), details of which are set out in Note 17. Management is in the process of determining the allocation to the appropriate cash generating units of the Group.

(b) At September 30, 2026, the balance comprises goodwill of US$315 million arising from the business combinations during the period, details of which are set out in Note 17. The Group has not finalized the fair value assessment of such balance.

(c) SSG is monitored as a whole and there is no allocation to geography or market.

The directors are of the view that there was no impairment of goodwill and trademarks and trade names with indefinite useful lives based on impairment tests performed at September 30, 2026 (March 31, 2026: nil).

3 Operating (loss)/profit

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

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
Depreciation of property, plant and equipment	**165,780**	**295,625**	124,574	244,552
Depreciation of right-of-use assets	**28,619**	**58,910**	27,279	58,512
Amortization of intangible assets	**187,526**	**392,122**	205,604	399,963
Impairment and write-off of intangible assets	**5,954**	**27,786**	14,211	17,100
Write-off of construction-in-progress	**-**	**397**	-	121
Impairment and write-off of property, plant and equipment	**530**	**530**	-	23
Employee benefit costs, including	**1,941,210**	**3,755,614**	1,732,821	3,297,994
– long-term incentive awards	***87,489***	***191,338***	*82,327*	*162,242*
– severance and related costs	***26,593***	***38,017***	*18,557*	*23,557*
Rental expenses	**5,595**	**10,159**	7,015	13,018
(Gain)/loss on disposal of property, plant and equipment	**(1,015)**	**(702)**	2,309	2,877
Loss on disposal of intangible assets	**-**	**-**	79	131
Loss on disposal of construction-in-progress	**-**	**-**	385	385
Fair value loss/(gain) on financial assets at fair value through profit or loss	**125,652**	**(124,431)**	(64,888)	(85,781)
Fair value loss/(gain) on derivative financial liabilities relating to warrants	**1,905,566**	**3,595,865**	147,760	(4,601)
Impairment of interests in associates	**-**	**23,272**	-	-
Dilution gain on interest in an associate	**-**	**-**	(432)	(432)
Gain on disposal of interests in associates	**-**	**-**	(99)	(826)

4 Finance income and costs

(a) Finance income

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
Interest on bank deposits	**17,276**	**33,275**	19,443	37,569
Interest on money market funds	**4,012**	**6,937**	4,399	8,762
Others	**12,234**	**18,625**	3,253	8,490
	33,522	**58,837**	27,095	54,821

(b) Finance costs

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
Interest on bank loans and overdrafts	**6,642**	**26,524**	6,637	18,408
Interest on convertible bonds	**46,351**	**82,454**	34,318	67,917
Interest on notes	**25,843**	**52,139**	26,329	56,374
Interest on lease liabilities	**5,666**	**12,391**	6,763	11,153
Factoring costs	**136,628**	**253,760**	95,678	201,137
Interest on written put option liabilities	**788**	**1,426**	585	1,158
Others	**478**	**11,652**	275	1,001
	222,396	**440,346**	170,585	357,148

5 Taxation

The amount of taxation in the consolidated income statement represents:

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
Current tax				
Profits tax in Hong Kong S.A.R. of China	**19,568**	**39,616**	13,779	(23,028)
Taxation outside Hong Kong S.A.R. of China	**500,888**	**986,964**	75,195	240,875
Deferred tax				
(Credit)/charge for the period	**(200,516)**	**(408,969)**	25,019	(19,300)
	319,940	**617,611**	113,993	198,547

Profits tax in Hong Kong S.A.R. of China has been provided for at the rate of 16.5% (2025/26: 16.5%) on the estimated assessable profit for the period. Taxation outside Hong Kong S.A.R. of China represents income and irrecoverable withholding taxes of subsidiaries operating in the Chinese Mainland and overseas, calculated at rates applicable in the respective jurisdictions.

6 (Loss)/earnings per share

(a) Basic

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

	3 months ended September 30, 2026	**6 months ended September 30, 2026**	3 months ended September 30, 2025	6 months ended September 30, 2025
Weighted average number of ordinary shares in issue	**12,517,520,464**	**12,461,398,247**	12,404,659,302	12,404,659,302
Adjustment for shares held by employee share trusts	**(142,310,012)**	**(234,054,860)**	(113,310,883)	(126,336,296)
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	**12,375,210,452**	**12,227,343,387**	12,291,348,419	12,278,323,006

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
(Loss)/profit attributable to equity holders of the Company used in calculating basic (loss)/earnings per share	**(639,858)**	**(1,248,458)**	340,276	845,609

(b) Diluted

The calculation of the diluted (loss)/earnings per share is based on the (loss)/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 (loss)/earnings per share is the weighted average number of ordinary shares, as used in the basic (loss)/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 (2025/26: four) categories of potential ordinary shares, namely long-term incentive awards, warrants, put option written on non-controlling interests and convertible bonds (2025/26: long-term incentive awards, warrants, put option written on non-controlling interests and convertible bonds). Long-term incentive awards and convertible bonds were anti-dilutive for the three and six months ended September 30, 2026 and dilutive for the three and six months ended September 30, 2025. Warrants and put option written on non-controlling interests were anti-dilutive for the three and six months ended September 30, 2026 and 2025.

	3 months ended September 30, 2026	**6 months ended September 30, 2026**	3 months ended September 30, 2025	6 months ended September 30, 2025
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	**12,375,210,452**	**12,227,343,387**	12,291,348,419	12,278,323,006
Adjustment for long-term incentive awards	**-**	**-**	381,662,931	341,389,560
Adjustment for convertible bonds	**-**	**-**	2,195,583,962	2,173,092,274
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss)/earnings per share	**12,375,210,452**	**12,227,343,387**	14,868,595,312	14,792,804,840

	3 months ended September 30, 2026 ***US$'000***	**6 months ended September 30, 2026** ***US$'000***	3 months ended September 30, 2025 *US$'000*	6 months ended September 30, 2025 *US$'000*
(Loss)/profit attributable to equity holders of the Company used in calculating basic (loss)/earnings per share	**(639,858)**	**(1,248,458)**	340,276	845,609
Adjustment for interest on convertible bonds, net of tax	**-**	**-**	34,318	67,917
(Loss)/profit attributable to equity holders of the Company used in calculating diluted (loss)/earnings per share	**(639,858)**	**(1,248,458)**	374,594	913,526

7 Dividend

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
Interim dividend, declared after period end – HK9.0 cents (2025/26: HK8.5 cents) per ordinary share	**147,136**	135,417

8 Inventories

	September 30, 2026 ***US$'000***	March 31, 2026 *US$'000*
Raw materials and work-in-progress	**12,834,781**	7,042,166
Finished goods	**7,196,033**	4,151,949
Service parts	**560,475**	526,770
	20,591,289	11,720,885

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

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

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Trade receivables	**19,411,993**	14,134,149
Lease receivables (Note)	**328,195**	308,663
Notes receivable	**121,507**	59,926
	19,861,695	14,502,738

Note: At September 30, 2026, non-current portion of lease receivables of US$260,131,000 (March 31, 2026: US$228,660,000) is included in other non-current assets.

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

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
0 – 30 days	**16,496,520**	12,340,792
31 – 60 days	**1,181,265**	1,051,467
61 – 90 days	**564,968**	355,763
Over 90 days	**1,534,141**	589,663
	19,776,894	14,337,685
Less: loss allowance	**(364,901)**	(203,536)
Trade receivables – net	**19,411,993**	14,134,149

At September 30, 2026, trade receivables, net of loss allowance, of US$1,359,740,000 (March 31, 2026: US$590,155,000) were past due. The ageing of these receivables, based on due date, is as follows:

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Within 30 days	**807,571**	327,205
31 – 60 days	**153,190**	93,254
61 – 90 days	**232,156**	49,018
Over 90 days	**166,823**	120,678
	1,359,740	590,155

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

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

	Trade receivables *US$'000*	Lease receivables *US$'000*	Total *US$'000*
Six months ended September 30, 2026			
At the beginning of the period	**203,536**	**15,095**	**218,631**
Exchange adjustment	**497**	**254**	**751**
Increase in loss allowance recognized in profit or loss	**197,299**	**2,675**	**199,974**
Uncollectible receivables written off	**(14,193)**	**(6)**	**(14,199)**
Unused amounts credited to profit or loss	**(22,238)**	**(1,786)**	**(24,024)**
At the end of the period	**364,901**	**16,232**	**381,133**

At September 30, 2026, included in the loss allowance of lease receivables are current portion of US$6,723,000 (March 31, 2026: US$6,243,000) and non-current portion of US$9,509,000 (March 31, 2026: US$8,852,000).

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

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

	September 30, 2026 *US$'000*	March 31, 2026 *US$'000*
Trade payables	**20,861,808**	15,338,443
Notes payable	**7,809,090**	3,898,263
	28,670,898	19,236,706

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

	September 30, 2026 *US$'000*	March 31, 2026 *US$'000*
0 – 30 days	**12,196,898**	9,551,590
31 – 60 days	**5,545,161**	3,685,844
61 – 90 days	**2,166,179**	1,494,616
Over 90 days	**953,570**	606,393
	20,861,808	15,338,443

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

10 Deposits, prepayments and other receivables

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

	September 30, 2026 *US$'000*	March 31, 2026 *US$'000*
Deposits	**36,121**	36,037
Other receivables	**7,258,101**	5,744,849
Prepayments	**2,165,923**	1,648,896
	9,460,145	7,429,782

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

11 Provisions, other payables and accruals

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

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Accruals	**6,005,924**	5,128,209
Allowance for billing adjustments (i)	**3,994,295**	3,166,899
Written put option liabilities (ii)	**298,000**	291,101
Other payables (iii)	**11,549,173**	8,582,853
Lease liabilities	**106,298**	110,017
	21,953,690	17,279,079

Notes:

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

(ii) - Pursuant to the joint venture agreement entered into between the Company and Fujitsu Limited ("Fujitsu"), the Company and Fujitsu are respectively granted call and put options which entitle the Company to purchase from Fujitsu and Development Bank of Japan ("DBJ"), or Fujitsu and DBJ to sell to the Company, the 49% interest in Fujitsu Client Computing Limited and its subsidiaries (together "FCCL"). Fujitsu currently owns 49% interest in FCCL. Both options are exercisable on September 30, 2026 and March 31, 2026. The exercise price for the call and put options will be determined based on the fair value of the 49% interest as of the day of exercising the option.

- During the year ended March 31, 2019, Hefei Zhi Ju Sheng Bao Equity Investment Co., Ltd ("ZJSB") acquired the 49% interest in a joint venture company ("JV Co") from Compal Electronics, Inc. The Company and ZJSB respectively owned 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 were 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 owned 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 were 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 were exercisable after 54 months and during the period from 48 months to 54 months, respectively, from the date of the new option agreement. The exercise price for the call and put options was to be determined in accordance with the new option agreement, subject to a maximum of RMB500 million (approximately US$75 million). During the period and before the expiry of the put option exercise period, Yuan Jia notified the Group of its intention to exercise its put option.

As at September 30, 2026, the Group remained in negotiations with Yuan Jia on the renewal of the agreement. Accordingly, the written put option liability remained recognized and was classified as a current liability. As at March 31, 2026, the liability was also classified as current as the put option was exercisable within twelve months from that date.

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

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

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

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

(b) The components of provisions are as follows:

	Warranty *US$'000*	**Environmental restoration** *US$'000*	**Restructuring** *US$'000*	**Total** *US$'000*
Year ended March 31, 2026				
At the beginning of the year	970,689	26,531	37,932	1,035,152
Exchange adjustment	9,333	(866)	709	9,176
Provisions made	851,276	26,035	54,783	932,094
Amounts utilized	(776,622)	(23,854)	(38,231)	(838,707)
	1,054,676	27,846	55,193	1,137,715
Long-term portion classified as non-current liabilities	(169,547)	(23,100)	-	(192,647)
At the end of the year	885,129	4,746	55,193	945,068
Six months ended September 30, 2026				
At the beginning of the period	**1,054,676**	**27,846**	**55,193**	**1,137,715**
Exchange adjustment	**1,638**	**179**	**123**	**1,940**
Provisions made	**425,755**	**17,638**	**-**	**443,393**
Amounts utilized	**(383,330)**	**(18,660)**	**(14,602)**	**(416,592)**
	1,098,739	**27,003**	**40,714**	**1,166,456**
Long-term portion classified as non-current liabilities	**(163,274)**	**(23,637)**	**-**	**(186,911)**
At the end of the period	**935,465**	**3,366**	**40,714**	**979,545**

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

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

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

12 Other non-current liabilities

Details of other non-current liabilities are as follows:

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Deferred consideration (a)	**25,072**	25,072
Lease liabilities	**271,636**	305,397
Environmental restoration (Note 11(b))	**23,637**	23,100
Government incentives and grants received in advance (b)	**137,683**	133,731
Others	**607,141**	279,620
	1,065,169	766,920

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 September 30, 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 (March 31, 2026: US$25 million).

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

13 Borrowings

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Current liabilities		
Short-term loans (a)	**344,636**	280,678
Convertible bonds (c)	**-**	597,765
	344,636	878,443
Non-current liabilities		
Notes (b)	**2,053,933**	2,052,709
Convertible bonds (c)	**3,363,847**	1,809,886
	5,417,780	3,862,595
	5,762,416	4,741,038

Notes:

(a) Majority of the short-term loans are denominated in United States dollars. At September 30, 2026, the Group has total revolving and short-term loan facilities of US$6,721 million (March 31, 2026: US$5,488 million) which has been utilized to the extent of US$342 million (March 31, 2026: US$269 million).

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

Issue date	Outstanding principal amount	Term	Interest rate per annum	Due date	**September 30, 2026** ***US$'000***	March 31, 2026 *US$'000*
November 2, 2020	US$900 million	10 years	3.421%	November 2, 2030	**896,369**	895,922
July 27, 2022	US$600 million	5.5 years	5.831%	January 27, 2028	**598,142**	597,628
July 27, 2022	US$563 million	10 years	6.536%	July 27, 2032	**559,422**	559,159
					2,053,933	2,052,709

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

Issue date	Outstanding principal amount	Term	Coupon rate per annum	Due date	**September 30, 2026** ***US$'000***	March 31, 2026 *US$'000*
August 26, 2022 (i)	US$675 million	7 years	2.5%	August 26, 2029	**-**	597,765
January 8, 2025 (ii)	US$2,000 million	3 years	0%	January 8, 2028	**1,861,746**	1,809,886
June 25, 2026 (iii)	US$2,000 million	7 years	0%	June 25, 2033	**1,502,101**	-
					3,363,847	2,407,651

(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$8.37 per share effective on August 8, 2026. On June 25, 2026, approximately US$225 million in principal amount of the 2029 Convertible Bonds were purchased by the Company.

The outstanding principal amount of the 2029 Convertible Bonds was repayable by the Company at maturity on August 26, 2029, unless previously redeemed, converted, or purchased and cancelled. On August 26, 2026, the bondholders had the right, at their option, to require the Company to redeem part or all of the 2029 Convertible Bonds at their principal amount, together with accrued but unpaid interest. The bondholders did not exercise this right.

At any time after September 9, 2026 and prior to August 26, 2029, the Company had 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. On August 17, 2026, the Company gave notice that it would redeem all the outstanding 2029 Convertible Bonds on September 16, 2026, at its option. During the period and prior to the redemption, the remaining US$450 million in principal amount of the 2029 Convertible Bonds were converted at the adjusted conversion price HK$8.37 per share. The entire 2029 Convertible Bonds were fully converted and cancelled (March 31, 2026: US$675 million in principal amount remained outstanding).

(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$9.37 per share effective on August 8, 2026. 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$9.37 per share, the 2028 Convertible Bonds will be convertible into 1,667,342,582 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.

(iii) On June 25, 2026, the Company completed the issuance of 7-Year US$2,000 million zero-coupon convertible bonds due in June 2033 ("the 2033 Convertible Bonds") to the bondholders. The proceeds were used to repay the existing debts, share buy-back and for general corporate purposes. The bondholder has the right, at any time after the sixth anniversary of the issue date up to 10th day prior to the maturity date, to exercise the conversion right to convert part or all of the outstanding principal amount of the 2033 Convertible Bonds into ordinary shares of the Company at a conversion price of HK$36.70 per share, subject to adjustments. At any time after 40 days after the issue date and on or before the sixth anniversary of the issue date, bondholders may exercise their conversion rights only upon the occurrence of certain specified events. The conversion price was adjusted to HK$35.74 per share effective on August 8, 2026. Assuming full conversion of the 2033 Convertible Bonds at the conversion price of HK$35.74 per share, the 2033 Convertible Bonds will be convertible into 438,343,592 shares.

The liability and equity components of the 2033 Convertible Bonds on initial recognition are presented as follows:

	US$'000
Face value of the convertible bonds on the issue date	**2,000,000**
Less: transaction costs	**(21,000)**
Net proceeds	**1,979,000**
Less: equity component	**(493,760)**
Liability component on initial recognition	**1,485,240**

The outstanding principal amount of the 2033 Convertible Bonds is repayable by the Company upon the maturity of the 2033 Convertible Bonds on June 25, 2033 if not previously redeemed, converted or purchased and cancelled. On June 25, 2030, the bondholders will have the right, at the bondholders' option, to require the Company to redeem part or all of the 2033 Convertible Bonds at their principal amount.

At any time prior to the maturity date, the Company will have the right to redeem in whole, but not in part, the 2033 Convertible Bonds for the time being outstanding at their principal amount 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 2028 Convertible Bonds and 2033 Convertible Bonds not exercised on maturity.

At September 30, 2026 and March 31, 2026, the Group's borrowings were repayable as follows:

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Within 1 year	**344,636**	878,443
Over 1 to 2 years	**2,459,888**	2,407,514
Over 2 to 5 years	**896,369**	895,922
Over 5 years	**2,061,523**	559,159
	5,762,416	4,741,038

14 Derivative financial liabilities

	September 30, 2026	March 31, 2026
	US$'000	*US$'000*
Current liabilities		
Foreign currency forward and option contracts	**67,419**	47,602
Warrants (Note)	**1,968,854**	51,637
	2,036,273	99,239
Non-current liabilities		
Warrants (Note)	**1,722,748**	45,182
	3,759,021	144,421

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$11.51 per share effective on August 8, 2026. The Company has the option to satisfy such exercise rights by allotment and issue of the Company's shares, or through cash payments, which is determined with reference to the market price of the Company's shares.

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

After recognizing fair value loss of US$3,595,865,000 during the period (for the year ended March 31, 2026: fair value gain of US$230,423,000), the fair value of the warrant derivative liabilities amounted to US$3,691,602,000 as of September 30, 2026 (March 31, 2026: US$96,819,000).

15 Share capital

	September 30, 2026		March 31, 2026	
	Number of shares	***US$'000***	*Number of shares*	*US$'000*
Issued and fully paid:				
Voting ordinary shares:				
At the beginning of the period/year	**12,404,659,302**	**3,500,987**	12,404,659,302	3,500,987
Conversion of convertible bonds	**421,385,380**	**404,478**	-	-
At the end of the period/year	**12,826,044,682**	**3,905,465**	12,404,659,302	3,500,987

16 Note to the consolidated cash flow statement

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

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
(Loss)/profit before taxation	**(572,732)**	1,116,389
Share of losses of associates and joint ventures	**93,346**	9,014
Finance income	**(58,837)**	(54,821)
Finance costs	**440,346**	357,148
Depreciation of property, plant and equipment	**295,625**	244,552
Depreciation of right-of-use assets	**58,910**	58,512
Amortization of intangible assets	**392,122**	399,963
Impairment and write-off of property, plant and equipment	**530**	23
Write-off of construction-in-progress	**397**	121
Impairment and write-off of intangible assets	**27,786**	17,100
Impairment of interests in associates	**23,272**	-
Allowance for inventories	**332,496**	79,402
Increase in loss allowance of trade receivables	**197,299**	38,878
Unused amounts of loss allowance of trade receivables reversed	**(22,238)**	(15,290)
Increase in loss allowance of lease receivables	**2,675**	8,183
Unused amounts of loss allowance of lease receivables reversed	**(1,786)**	-
Share-based compensation	**191,338**	162,242
(Gain)/loss on disposal of property, plant and equipment	**(702)**	2,877
Loss on disposal of intangible assets	**-**	131
Loss on disposal of construction-in-progress	**-**	385
Gain on disposal of interests in associates	**-**	(826)
Dilution gain on interest in an associate	**-**	(432)
Fair value change on financial instruments	**8,733**	(5,752)
Fair value change on financial assets at fair value through profit or loss	**(124,431)**	(85,781)
Fair value loss/(gain) on derivative financial liabilities relating to warrants	**3,595,865**	(4,601)
Dividend income	**(1,791)**	(3,023)
Increase in inventories	**(9,138,150)**	(734,348)
Increase in trade, lease and notes receivables, deposits, prepayments and other receivables	**(7,445,386)**	(3,886,319)
Increase in trade and notes payables, provisions, other payables and accruals	**14,333,258**	5,664,372
Effect of foreign exchange rate changes	**82,897**	(10,204)
Net cash generated from operations	**2,710,842**	3,357,895

(b) Reconciliation of financing liabilities

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

Financing liabilities	**September 30, 2026** ***US$'000***	March 31, 2026 *US$'000*
Short-term loans – current	**344,636**	280,678
Notes – non-current	**2,053,933**	2,052,709
Convertible bonds – current	**-**	597,765
Convertible bonds – non-current	**3,363,847**	1,809,886
Derivative financial liabilities relating to warrants – current	**1,968,854**	51,637
Derivative financial liabilities relating to warrants – non-current	**1,722,748**	45,182
Lease liabilities – current	**106,298**	110,017
Lease liabilities – non-current	**271,636**	305,397
Other payables – current	**13,425**	8,447
Other payables – non-current	**15,232**	13,395
	9,860,609	5,275,113
Short-term loans – variable interest rates	**334,643**	270,979
Short-term loans – fixed interest rates	**9,993**	9,699
Notes – fixed interest rates	**2,053,933**	2,052,709
Convertible bonds – fixed interest rates	**3,363,847**	2,407,651
Derivative financial liabilities relating to warrants – non-interest bearing	**3,691,602**	96,819
Lease liabilities – fixed interest rates	**377,934**	415,414
Other payables – fixed interest rates	**28,657**	21,842
	9,860,609	5,275,113

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

	Short-term loans current *US$'000*	Notes non-current *US$'000*	Convertible bonds current *US$'000*	Convertible bonds non-current *US$'000*	Derivative financial liabilities relating to warrants current *US$'000*	Derivative financial liabilities relating to warrants non-current *US$'000*	Lease liabilities current *US$'000*	Lease liabilities non-current *US$'000*	Other payables current *US$'000*	Other payables non-current *US$'000*	Total *US$'000*
Financing liabilities at April 1, 2026	**280,678**	**2,052,709**	**597,765**	**1,809,886**	**51,637**	**45,182**	**110,017**	**305,397**	**8,447**	**13,395**	**5,275,113**
Proceeds from borrowings	**4,891,217**	**-**	**-**	**2,000,000**	**-**	**-**	**-**	**-**	**-**	**-**	**6,891,217**
Repayments/repurchase of borrowings	**(4,840,393)**	**-**	**(659,823)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,500,216)**
Conversion of convertible bonds	**-**	**-**	**(404,478)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(404,478)**
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	**54,394**	**(54,394)**	**127,848**	**(6,528)**	**121,320**
Issuing cost of convertible bonds	**-**	**-**	**-**	**(21,000)**	**-**	**-**	**-**	**-**	**-**	**-**	**(21,000)**
Principal elements of lease payments	**-**	**-**	**-**	**-**	**-**	**-**	**(56,712)**	**-**	**-**	**-**	**(56,712)**
Foreign exchange adjustments	**13,134**	**-**	**-**	**-**	**(577)**	**(505)**	**405**	**(564)**	**46**	**61**	**12,000**
Equity component for issue of convertible bonds	**-**	**-**	**-**	**(493,760)**	**-**	**-**	**-**	**-**	**-**	**-**	**(493,760)**
Equity component for repurchase of convertible bonds	**-**	**-**	**449,743**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**449,743**
Other non-cash movements	**-**	**1,224**	**16,793**	**68,721**	**1,917,794**	**1,678,071**	**(1,806)**	**21,197**	**287**	**107**	**3,702,388**
Proceeds from factoring of operating lease receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,940**	**8,197**	**12,137**
Repayments of factored operating lease receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(5,571)**	**-**	**(5,571)**
Repayments of payment service arrangement	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(121,572)**	**-**	**(121,572)**
Financing liabilities at September 30, 2026	**344,636**	**2,053,933**	**-**	**3,363,847**	**1,968,854**	**1,722,748**	**106,298**	**271,636**	**13,425**	**15,232**	**9,860,609**

(c) Cash outflow to acquire businesses and subsidiaries, net of cash acquired

	6 months ended September 30, 2026 ***US$'000***	6 months ended September 30, 2025 *US$'000*
Cash consideration paid	**452,535**	-
Less: cash and cash equivalents acquired	**(20,255)**	-
Net cash outflow – investing activities	**432,280**	-

17 Significant business combinations

During the period, the Group completed the following key business combination activities:

- On April 9, 2026, the Group completed the acquisition of the entire interests in Infinidat. Infinidat is principally engaged in the provision of high-performance enterprise storage solutions. The cash consideration of the acquisition was approximately US$410 million.

- On April 27, 2026, the Group completed the acquisition of the entire interests in Phoenix Technologies EMEA Limited and the related business involving the design and development of firmware for computers and computing devices ("Phoenix"). The cash consideration of the acquisition was approximately US$50 million.

Set forth below is the preliminary calculation of goodwill arising from the business combinations:

	Infinidat *US$'000*	Phoenix *US$'000*	Total *US$'000*
Purchase consideration	**409,785**	**50,000**	**459,785**
Less: fair value of net identifiable assets attributable to the interest acquired	**(121,010)**	**(24,052)**	**(145,062)**
Goodwill	**288,775**	**25,948**	**314,723**

The major components of assets and liabilities arising from the business combinations are as follows:

	Infinidat *US$'000*	Phoenix *US$'000*	Total *US$'000*
Cash and cash equivalents	**20,255**	**-**	**20,255**
Property, plant and equipment	**5,196**	**77**	**5,273**
Right-of-use assets	**12,631**	**-**	**12,631**
Intangible assets	**143,972**	**27,000**	**170,972**
Deferred income tax assets less liabilities	**(30,810)**	**(2,569)**	**(33,379)**
Other non-current assets	**2,327**	**-**	**2,327**
Other non-current liabilities	**(14,115)**	**-**	**(14,115)**
Net working capital except cash and cash equivalents	**(18,446)**	**(456)**	**(18,902)**
Fair value of net identifiable assets acquired	**121,010**	**24,052**	**145,062**

For the six months ended September 30, 2026, revenue contributed by Infinidat and Phoenix was US$128 million and nil respectively. Infinidat contributed profit before taxation of US$11.9 million and Phoenix incurred loss before taxation of US$9.0 million to the Group during the period.

At September 30, 2026, the Group has not finalized the fair value assessments for net identifiable assets acquired (including intangible assets) from the business combinations. The relevant fair values of net identifiable assets stated above are on a provisional basis.

Acquisition-related costs of US$1.2 million are included in administrative expenses in the consolidated income statement and in operating cash flows in the consolidated cash flow statement.

CONVERTIBLE BONDS

On August 26, 2022, the Company issued the US$675,000,000 2.50% convertible bonds due 2029 (the "2029 Convertible Bonds"), which were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to professional investors. During the six months ended September 30, 2026, the Company (i) repurchased and cancelled approximately US$225,042,000 in aggregate principal amount of the 2029 Convertible Bonds, and (ii) issued a total of 421,385,380 shares upon conversion of the 2029 Convertible Bonds in an aggregate principal amount of US$449,958,000. The shares issued with respect to such conversion represent approximately 3.29% of the total shares in issue of the Company as at September 30, 2026. As at September 14, 2026, the 2029 Convertible Bonds were fully converted and cancelled in accordance with the relevant terms and conditions. The withdrawal of the listing of the 2029 Convertible Bonds from the Stock Exchange became effective on September 22, 2026. Please refer to the announcements of the Company dated June 17, 2026, June 18, 2026, June 25, 2026 and August 17, 2026 for further details about the repurchase of the 2029 Convertible Bonds and the announcements of the Company dated August 17, 2026, September 4, 2026, September 7, 2026, September 8, 2026 and September 14, 2026 for further details about the conversion and cancellation of the 2029 Convertible Bonds.

On January 8, 2025, the Company issued US$2,000,000,000 zero coupon convertible bonds due 2028 (the "2028 Convertible Bonds") to Alat International Investments Company ("Alat"), a wholly-owned subsidiary of Alat Technologies Company. The 2028 Convertible Bonds, assuming full conversion at the adjusted conversion price of HK$9.37 per share, are convertible into 1,667,342,582 ordinary shares of the Company. As at September 30, 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 ordinary shares upon maturity and can only be redeemed prior to maturity upon occurrence of certain redemption events. Please refer to the announcements of the Company dated May 29, 2024, January 8, 2025, July 17, 2025 and July 23, 2026 and the Company's circular dated August 19, 2024 for further details about the 2028 Convertible Bonds.

On June 25, 2026, the Company issued US$2,000,000,000 zero coupon convertible bonds due 2033 (the "2033 Convertible Bonds"), which are listed on the Vienna Stock Exchange, to professional investors. The 2033 Convertible Bonds, assuming full conversion at the adjusted conversion price of HK$35.74 per share, are convertible into 438,343,592 ordinary shares of the Company. As at September 30, 2026, the total outstanding principal amount of the 2033 Convertible Bonds was US$2,000,000,000. Pursuant to the terms and conditions of the 2033 Convertible Bonds, the 2033 Convertible Bonds can only be converted into ordinary shares at the option of the bondholder at any time after the sixth anniversary of the issue date and can only be redeemed prior to maturity upon occurrence of certain redemption events. Please refer to the announcements of the Company dated June 17, 2026, June 18, 2026 and June 25, 2026 for further details about the 2033 Convertible Bonds.

Save as disclosed above, there had not been any conversion of the 2029 Convertible Bonds, 2028 Convertible Bonds and the 2033 Convertible Bonds, and no redemption right had been exercised by the Company in respect of these convertible bonds for the six months ended September 30, 2026. Please refer to the relevant note to the consolidated financial statements and the Company's 2026/27 Interim Report to be published for further details of the convertible bonds.

WARRANTS

On January 8, 2025, the Company issued 1,150,000,000 warrants (the "Warrants") at the issue price of HK$1.43 per Warrant to Sureinvest Holdings Limited, an entity wholly owned by Mr. Yang Yuanqing (a connected person of the Company), Wisdom Summit Limited, the investment holding vehicle for certain management members of the Company, as well as certain independent professional investors. Assuming the full exercise of the Warrants at the adjusted exercise price of HK$11.51 per share, it will result in the issue of 1,229,930,495 shares of the Company. There had not been any exercise of the Warrants during the six months ended September 30, 2026. Please refer to the announcements of the Company dated May 29, 2024, July 15, 2024, January 8, 2025, July 15, 2025 and July 23, 2026 and the Company's circular dated August 19, 2024 for further details about the Warrants.

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

Save as disclosed above and that the respective trustee of the long-term incentive program and the employee share purchase plan of the Company purchased a total of 49,558,855 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 six months ended September 30, 2026. Details of these program and plan are set out in the 2025/26 Annual Report of the Company.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the unaudited financial results of the Group for the six months ended September 30, 2026. It meets regularly with the management, the external auditor and the internal audit personnel to discuss the accounting principles and practices adopted by the Group and internal control and financial reporting matters. Currently, the Audit Committee comprises three independent non-executive directors and one non-executive director, including Mr. Woo Chin Wan Raymond, being the Chairman, Mr. Gordon Robert Halyburton Orr, Mr. Kasper Bo Roersted and Mr. Wong Wai Ming.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended September 30, 2026, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, and where appropriate, met the recommended best practices in the CG Code, with the exception that the roles of the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") have not been segregated as required by code provision C.2.1 of the CG Code.

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

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the website of The Hong Kong Exchanges and Clearing Limited (https://www.hkexnews.hk) and the Group's website (https://investor.lenovo.com/en/publications/news.php). The 2026/27 interim report of the Company will be available on the same websites and despatched to shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

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

November 19, 2026

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