

China's Lenovo posts \$128 mn net loss last year

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Chinese technology giant Lenovo reported a \$128 million net loss for the year ending March 31, compared with a net profit of \$829 million in the same period last year

Chinese technology giant Lenovo said Thursday it posted a net loss last year, as its smartphones struggle to keep pace with Apple and Android rivals and as the market for personal computers fizzles.

The Beijing-based company, which has traditionally manufactured

computers but has been trying to broaden its smartphone business after scooping up Motorola two years ago, reported a \$128 million [net loss](#) for the year ending March 31, compared with a net profit of \$829 million in the same period last year.

"They are still trying to find a way to turn their business around that's why they are recording a loss right now," financial analyst Jackson Wong told AFP.

"They have not done extremely well in China, other brand names are doing much better," said Wong, the associate director for Simsen Financial Group, adding that their traditional business of manufacturing PCs is in decline.

Analyst Dickie Wong of Kingston Securities said the company was failing to snatch customers from competitors.

"If I want to buy a cellphone I would pick Apple or Samsung. If I want to buy a cheap cell phone I'll pick Xiaomi," Dickie Wong told AFP.

The company's revenue also fell three percent to \$44.91 billion, it said in a filing to the Hong Kong stock exchange Thursday.

It added that global smartphone shipments fell 13 percent year-on-year, and that its market share in the worldwide smartphone market dipped one percent to 4.6 percent.

"In view of the softer demand and keen market competition, the group accelerated its actions to build up the quality of its mobile business," it said.

Revenue from PC sales, which accounts for the lion's share of its business, was down 11 percent year-on-year, dragged by currency

fluctuations and a slumping demand.

"Looking forward, the markets where the group is in will remain challenging in the short term."

Lenovo announced plans to slash costs by \$1.35 billion and cut 3,200 staff from its non-manufacturing workforce when it announced first-quarter results on August of last year.

The company had also purchased IBM's low-end server business in 2014 as part of a strategy to expand business beyond PCs.

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