

Lenovo posts first-quarter profit as recovery continues

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Chinese technology giant Lenovo Thursday recorded a sharp rise in first quarter net profit as the company's turnaround gathered pace.

The PC maker posted a \$77 million net profit in the quarter to June 30—up from a \$72 million loss in the same period last year.

"The Group remains confident in its core PC business, and aims to grow ... without compromising on profitability," chairman Yang Yuanqing said in a statement.

Analyst Jackson Wong said competition between PC makers "is not as fierce as it is in the mobile sector", while Lenovo's focus on hardware has also contributed to the positive results.

Lenovo also reported a 19 percent rise in revenue to \$11.91 billion—its second consecutive quarter of double-digit revenue growth.

The tech giant is turning its fortunes around following a \$189 million net loss for the full fiscal year, dragged down by a \$400 million non-cash write-off charge from deferred income tax assets.

The company's shares rose up to six percent to HK\$4.72 mid-morning after the results were released.

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