

**LENOVO GROUP LTD:  
THE COMPANY ENJOYS A WHACKING,  
2016-YEAR LOSS;  
AND,  
THE CHAIRMAN GETS A WHACKING,  
2016-YEAR TAKE-HOME PAY INCREASE**

For the first time in the past six Financial Years, Lenovo Group Ltd () (Code: 992, Main Board, The Stock Exchange of Hongkong Ltd) has reported that which could be considered a very material Loss Attributable to Shareholders.

For the Financial Year, ended March 31, 2016, the Net Loss Attributable to Shareholders was \$US128,146,000 (about \$HK993.13 million).

This result compares rather poorly with the 2015 Financial Year when the Company reported a Net Profit Attributable to Shareholders of about \$US828,715,000 (about \$HK6.42 billion).

The 2016-Year result is a swing, Year-On-Year, from a profit to a loss of about \$HK7.41 billion.

This, by itself, may seem particularly worrying to extant and prospective shareholders of the Company, but the following **TARGET** () revelations may appear to many people to be even more worrying.

**The Chairman's Lolly**

At Page 200 of the 2016 Annual Report of Lenovo Group Ltd, it is stated that Mr Yang Yuan Qing (), the Executive Chairman and Chief Executive Officer, received a total financial package for his hard work, amounting to \$US22,644,000 (about \$HK175,491,000).

Breaking down this figure of \$US22,644,000 into its constituent parts, the following table tells the story:

Salary:	\$US1,369,000 (about \$HK10.61 million)
Discretionary Bonus:	\$US7,783,000 (about \$HK60.32 million)
Long-Term Incentive Award:	\$US13,037,000 (about \$HK101.04 million)
Retirement Payments and Employer's Contribution to Pension Schemes:	\$US137,000 (about \$HK1.06 million)
Housing Allowance:	\$US299,000 (about \$HK2.32 million)
Other Benefits in Kind:	<u>\$US19,000 (about \$HK147,250)</u>
<b>TOTAL:</b>	<b><u>\$US22,644,000 (about \$HK175,491,000)</u></b>

Put another way, Chairman's Yang Yuan Qing's monthly, take-home remuneration in respect of the 2016 Financial Year, ended March 31, 2016, being the first Year in the past six Years that Lenovo Group Ltd had suffered a material Loss Attributable to Shareholders, is \$US1,887,000 (about \$HK14,624,250).

Comparing Chairman Yang Yuan Qing's total remuneration with regard to the 2016-Year with that of the 2015-Year, one discovers the following:

Salary:	\$US1,338,000 (about \$HK10.37 million)
Discretionary Bonus:	\$US5,740,000 (about \$HK44.49 million)

Long-Term Incentive Award:	\$US11,921,000 (about \$HK92.38 million)
Retirement Payment and Employer's	
Contribution to Pension Schemes:	\$US134,000 (about \$HK1.04 million)
Housing Allowance:	\$US286,000 (about \$HK2.22 million)
Other Benefits in Kind:	\$US22,000 (about \$HK170,500)
<b>TOTAL:</b>	<b><u>\$US19,441,000 (about \$HK150.67 million)</u></b>

In summary in respect of the subject of Chairman Yang Yuan Qing's total remuneration package as the Executive Chairman and Chief Executive Officer of Lenovo Group Ltd, he received an increase in the 2016-Year, compared with the preceding Year, of about \$US3,203,000 (about \$HK24.82 million).

Taking into account the financial result of the 2016-Year, compared with that of the 2015-Year, one might be inclined to question the rationale – if not, also, the morality – in rewarding the Executive Chairman and Chief Executive Officer of Lenovo Group with an increase in his total remuneration in the 2016-Year of about 16.48 percent, all in.

Would it be fair to state that the bigger the loss with regard to the fortunes of this Company in the coming Financial Years, the greater shall be the increase in the lolly for the Executive Chairman and Chief Executive Officer?

### **The Dividends**

Despite having suffered a very material Loss Attributable to Shareholders ... [CLICK TO ORDER FULL ARTICLE](#)

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