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JOHNSON ELECTRIC

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 179)

INTERIM RESULTS ANNOUNCEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2010

HIGHLIGHTS

- Group sales US$1,031 million – up 27% compared to the first half of prior financial year
- Gross profit margin increased from 26.6% to 28.7%
- EBITDA up 118% to US$166 million
- Operating profit US$124 million – up US$91 million or 276%
- Net profit attributable to shareholders US$93 million or 2.54 US Cents per share – an increase of US$78 million
- Interim dividend of 3 HK Cents per share (0.39 US Cents per share)

The Directors announce that the unaudited consolidated profit attributable to equity holders for the six months ended 30th September 2010 was US$92.9 million, an increase of US$78.3 million from US$14.6 million in the corresponding period in 2009.

FINANCIAL RESULTS

The unaudited condensed consolidated income statement for the six months ended 30th September 2010 together with comparative figures for the corresponding period in 2009 is set out below:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th September 2010

	Note	Unaudited Six months ended 30th September **2010** **US$'000**	2009 US$'000
Sales	2	**1,030,641**	811,715
Cost of goods sold		**(734,719)**	(595,753)
Gross profit		**295,922**	215,962
Other income and gains/(losses)		**(42)**	(1,229)
Selling and administrative expenses		**(171,895)**	(167,725)
Restructuring provision and asset impairments		**-**	(14,038)
Operating profit	2 & 3	**123,985**	32,970
Finance costs, net		**(3,957)**	(3,070)
Share of profits/(losses) of associated companies		**91**	(185)
Profit before income tax		**120,119**	29,715
Tax expenses	4	**(21,992)**	(10,395)
Profit for the period		**98,127**	19,320
Attributable to:			
Equity holders of the Company		**92,883**	14,616
Non-controlling interests		**5,244**	4,704
		98,127	19,320
Basic and diluted earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US Cents per share)		**2.54**	0.40

Details of recommended interim dividend of 0.39 US Cents per share (30th September 2009: nil) equivalent to US$14.2 million (30th September 2009: nil) are set out in Note 5.

CONDENSED CONSOLIDATED BALANCE SHEET
As of 30th September 2010

	Note	**Unaudited 30th September 2010 US$'000**	As restated 31st March 2010 US$'000
Assets			
Non-current assets			
Property, plant and equipment		**389,095**	383,214
Investment properties		**45,410**	45,392
Land use rights		**12,331**	12,036
Intangibles		**744,718**	699,871
Associated companies		**1,775**	1,527
Deferred income tax assets		**34,676**	39,833
Available-for-sale financial assets		**2,042**	2,386
Other financial assets at fair value through profit or loss		**8,149**	9,270
Deposits		**6,415**	3,205
		1,244,611	1,196,734
Current assets			
Stocks and work in progress		**244,435**	196,345
Trade and other receivables	7	**411,957**	360,252
Other financial assets		**7,502**	5,291
Income tax recoverable		**2,461**	5,101
Other financial assets at fair value through profit or loss		**1,315**	-
Bank balances and cash		**385,796**	367,060
		1,053,466	934,049
Current liabilities			
Trade and other payables	8	**411,174**	341,144
Current income tax liabilities		**28,671**	17,029
Other financial liabilities		**3,729**	39,056
Borrowings		**5,165**	6,962
Provisions and other liabilities		**35,543**	32,975
		484,282	437,166
Net current assets		**569,184**	496,883
Total assets less current liabilities		**1,813,795**	1,693,617
Non-current liabilities			
Borrowings		**399,180**	401,727
Deferred income tax liabilities		**81,341**	83,777
Provisions and other liabilities		**53,281**	41,509
		533,802	527,013
NET ASSETS		**1,279,993**	1,166,604
Equity			
Share capital and share premium		**75,955**	79,493
Reserves		**1,134,452**	1,011,984
Proposed dividends		**14,203**	23,659
		1,224,610	1,115,136
Non-controlling interests		**55,383**	51,468
TOTAL EQUITY		**1,279,993**	1,166,604

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30th September 2010

	Unaudited Six months ended 30th September	
	2010	2009
	US$'000	US$'000
Profit for the period	**98,127**	19,320
Other comprehensive income/(expenses):		
Available-for-sale financial assets		
- fair value gains	**-**	94
Hedging instruments		
- fair value gains	**3,204**	6,174
- transferred to income statement	**(865)**	11,849
Deferred income tax effect on fair value gains in hedging instruments	**(238)**	(709)
Actuarial losses of defined benefit plans	**(12,802)**	(503)
Deferred income tax effect on actuarial losses of defined benefit plans	**1,595**	(845)
Adjustment arising on translation of foreign subsidiaries and associated companies	**54,262**	61,704
Other comprehensive income for the period, net of tax	**45,156**	77,764
Total comprehensive income for the period, net of tax	**143,283**	97,084
Total comprehensive income attributable to :		
Equity holders of the Company	**136,939**	92,363
Non-controlling interests		
Share of profit for the period	**5,244**	4,704
Adjustment arising on translation of foreign subsidiaries	**1,100**	17
	143,283	97,084

Notes:

1. Principal accounting policies

This unaudited condensed consolidated interim financial information is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of this condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31st March 2010, except that the Group adopted all new standards, amendments to standards and interpretations of HKFRS which are effective for the accounting period commencing 1st April 2010.

Except for the revised disclosure to the accounts as stated below, the adoption of these new/revised HKFRS did not have a material impact on the condensed consolidated interim financial information of the Group.

HKAS 17 (amendment), "Leases" - The amendment deletes specific guidance in the standard which previously required the land element in a lease to be classified as an operating lease unless title to the land was expected to be passed to the lessee by the end of the lease term.

Under the amended HKAS 17, a lease of land is classified as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of the leasehold land to the lessee. The amendments to HKAS 17 are required to be applied retrospectively. Comparative information has been restated to reflect this change in accounting policy. The effect of this change is a reclassification of certain leasehold land to property, plant and equipment.

The effect of the adoption of this amendment is as below:

		Balances as of	
	31st March 2010 USD'000	30th September 2009 USD'000	31st March 2009 USD'000
Decrease in land use rights	14,605	15,283	15,480
Increase in property, plant and equipment	14,605	15,283	15,480

2. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (as defined in HKFRS). The chief operating decision maker has been identified as the Group's Executive Committee.

The Group's business is managed in two operating segments - Manufacturing and Trading.

2. **Segment information** *(Cont'd)*

The manufacturing operating segment derives its revenue primarily from the manufacturing and sale of motors, electromechanical components, motion systems and sub-systems.

The trading operating segment is principally engaged in trading of goods and materials not manufactured by the Group and it is the strategy of the Group to downsize the trading business.

The segment information presented to management for the reportable segments for the six months ended 30th September 2010 was as follows:

	Six months ended 30th September 2010		
	Manufacturing	Trading	Group
	US$'000	US$'000	US$'000
External sales	1,029,439	1,202	1,030,641
Gross profit	295,736	186	295,922
Other operating income	4,500	-	4,500
Selling and administrative expenses	(175,242)	(46)	(175,288)
Operating profit	124,994	140	125,134
Non-operating income	426	170	596
Finance costs	(5,702)	-	(5,702)
Share of profits of associated companies	91	-	91
Profit before income tax	119,809	310	**120,119**
Tax expenses			**(21,992)**
Profit for the period			**98,127**
Other information			
Depreciation and amortisation	41,774	-	41,774
Interest income	1,744	1	1,745
As of 30th September 2010			
Total assets	2,297,281	796	2,298,077
Total assets include:			
Investment in associated companies	1,775	-	1,775
Additions to non-current assets (other than financial assets and deferred tax assets)	42,082	-	42,082
Total liabilities	1,016,204	1,880	1,018,084

2. Segment information *(Cont'd)*

The segment information presented to management for the reportable segments for the six months ended 30th September 2009 was as follows:

	Six months ended 30th September 2009		
	Manufacturing	Trading	Group
	US$'000	US$'000	US$'000
External sales	799,046	12,669	811,715
Gross profit	214,620	1,342	215,962
Other operating income	714	1	715
Selling and administrative expenses	(166,954)	(1,081)	(168,035)
Operating profit before restructuring	48,380	262	48,642
Restructuring costs	(14,038)	-	(14,038)
Operating profit after restructuring	34,342	262	34,604
Non-operating income/(expenses)	1,077	(1,491)	(414)
Finance costs	(4,273)	(17)	(4,290)
Share of losses of associated companies	(185)	-	(185)
Profit/(loss) before income tax	30,961	(1,246)	29,715
Tax expenses			(10,395)
Profit for the period			19,320
Other information			
Depreciation and amortisation	42,765	66	42,831
Interest income	1,215	5	1,220
As of 31st March 2010			
Total assets	2,126,895	3,888	2,130,783
Total asset include:			
Investment in associated companies	1,527	-	1,527
Additions to non-current assets			
(other than financial assets and deferred tax assets)	39,975	-	39,975
Total liabilities	961,249	2,930	964,179

2. Segment information *(Cont'd)*

The Group's management assesses the performance of the operating segments based on the measure of operating profit. The measure excludes items which are not directly related to the segment performance including non-operating income/(expenses) such as interest income, rental income, fair value gain/(loss) on revaluation of investment property, profit/(loss) on disposal of fixed assets, profit/(loss) on disposal of investments.

A reconciliation of the operating profit presented to management to the consolidated income statement is as follows:

	Six months ended 30th September	
	2010	2009
	US$'000	US$'000
Operating profit after restructuring	125,134	34,604
Rental income	2,383	2,194
Loss on sale of investments	(322)	(1,777)
Loss on disposal of fixed assets	(205)	(19)
Fair value losses on currency contracts	(1,049)	-
Fair value gains on copper contracts	22	-
Fair value losses on interest rate swap	(871)	(1,627)
Miscellaneous expenses	(1,107)	(405)
Operating profit per consolidated income statement	123,985	32,970
Interest expense	(5,702)	(4,290)
Interest income	1,745	1,220
Finance costs, net	(3,957)	(3,070)
Share of profits/(losses) of associated companies	91	(185)
Profit before income tax	120,119	29,715

The amounts provided to the Group's management with respect to total assets and liabilities are measured in a manner consistent with that presented in the financial statements. These assets and liabilities are allocated based on the operations of the segment.

Revenue from external customers are analysed by product applications. Breakdown of the revenue is as follows:

	Six months ended 30th September	
	2010	2009
	US$'000	US$'000
Automotive Products Group (APG)	539,667	421,671
Industry Products Group (IPG)	378,506	280,506
Other Businesses	112,468	109,538
	1,030,641	811,715

2. Segment information *(Cont'd)*

Geographical information disclosure in accordance with HKFRS 8

The Company is incorporated in Bermuda. Revenue from external customers by country for the period ended 30th September 2010 was as follows:

	Six months ended 30th September	
	2010	2009
	US$'000	US$'000
Hong Kong/ People's Republic of China ("HK/PRC")	315,493	235,854
United States of America ("USA")	195,706	157,354
Germany	165,692	130,878
France	59,601	52,030
Italy	44,921	42,753
Others	249,228	192,846
	1,030,641	811,715

No single external customer contributed more than 10% of the total Group revenue.

As of 30th September 2010, excluding goodwill held centrally, the total of non-current assets other than deferred tax assets, available-for-sale financial assets and other financial assets at fair value through profit and loss located in HK/PRC was US$341.3 million (as of 31st March 2010: US$330.5 million) and the total of these non-current assets located in other countries was US$369.6 million (as of 31st March 2010: US$360.6 million).

3. Depreciation and amortisation

During the period, depreciation of US$32.3 million (2009: US$33.9 million) in respect of property, plant and equipment, amortisation of US$0.2 million (2009: US$0.1 million) in respect of land use rights and amortisation of US$9.2 million (2009: US$8.8 million) in respect of intangibles were charged in the income statement.

4. Tax expenses

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Overseas tax has been provided on the estimated assessable profit at the applicable rates for the period in the respective countries of operations.

	Six months ended 30th September	
	2010	2009
	US$'000	US$'000
Current income tax		
Hong Kong profits tax	(8,884)	(5,378)
Overseas taxation including PRC	(15,318)	(5,258)
Over/(under) provisions in prior periods	984	(1,447)
	(23,218)	(12,083)
Deferred income tax	1,226	1,688
	(21,992)	(10,395)
Effective tax rate	18.3%	35.0%

5. Interim dividend

	Six months ended 30th September	
	2010	2009
	US$'000	US$'000
2010/11 Interim, proposed, of 0.39 US Cents (3 HK Cents) per share (2009 : nil)	14,203	-

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30th September	
	2010	2009
Profit attributable to equity holders of the Company (thousands US Dollar)	92,883	14,616
Weighted average number of ordinary shares in issue (thousands)	3,663,083	3,664,822
Basic earnings per share (US Cents per share)	**2.54**	0.40

The Company has share options that could dilute basic earnings per share in the future. Diluted earnings per share equals basic earnings per share because there were no potential dilutive ordinary shares outstanding during the period ended 30th September 2010.

7. Trade and other receivables

The trade and other receivables included gross trade receivables of US$356.5 million (as of 31st March 2010: US$309.7 million). The Group normally grants credit terms ranging from 30 to 90 days to its trade customers. The ageing of gross trade receivables based on overdue date was as follows:

	30th September 2010 US$'000	31st March 2010 US$'000
Current	313,648	275,240
0-60 days	29,820	25,741
61-90 days	2,991	1,901
Over 90 days	10,027	6,852
Total	356,486	309,734

8. Trade and other payables

The trade and other payables included trade payables of US$254.9 million (as of 31st March 2010: US$206.6 million). The ageing of trade payables based on invoice date was as follows:

	30th September 2010 US$'000	31st March 2010 US$'000
0-60 days	186,178	151,903
61-90 days	44,336	34,423
Over 90 days	24,369	20,239
Total	254,883	206,565

9. Capital commitments

	30th September 2010 US$'000	31st March 2010 US$'000
Capital commitments for property, plant and equipment		
Authorised but not contracted for	3,583	7,068
Contracted but not yet accrued	13,049	6,944
	16,632	14,012

CHAIRMAN'S STATEMENT

Overview of Financial Results

In the six month period ended 30th September 2010 Johnson Electric delivered an exceptionally strong performance as a result of resurgent and sustained demand in its core markets and a comparatively lower cost base that had been restructured and streamlined during the global financial crisis.

Group sales for the first half of the 2010-11 financial year totaled US$1,031 million, an increase of 27% over the first half of the prior financial year and up 11% compared to the second half. Net profit attributable to shareholders increased by US$78 million to US$93 million.

The primary factor behind the sales improvement has been a marked increase in customer demand that began a year ago with government-led stimulus programs and has since led to a broader recovery in industrial output compared to the extraordinarily depressed levels at the height of the economic crisis. Johnson Electric has also capitalised on this recovery with new product introductions and more focused go-to-market strategies that have seen the Group win new business and gain market share in many of its key business segments.

All of the Group's business units, with the exception of the downsized trading operation, achieved year on year sales increases. Particularly encouraging performances were delivered in the Industry Products Group, which had originally been slower to emerge from the downturn but is now achieving excellent progress across its product line of motion subsystems, precision motors and actuators, switches and solenoids. The Automotive Products Group also performed well although the pace of growth in this division has slowed relative to the second half of the past financial year due to the ending of government-led incentive programs in some countries and the weaker average Euro to US Dollar exchange rate for most of the first half period. Offsetting this, however, was continued strong demand from developing markets, especially China where Johnson Electric is establishing itself as the clear market leader for many of its automotive components and subsystem products.

Meanwhile, the cost reduction programs and restructuring initiatives that have been put in place over the past two years are substantially completed. Those painful but essential actions are now providing superior operating leverage and higher gross margins – and delivering improved operating earnings which are unencumbered by restructuring charges.

Gross margins increased from 26.6% to 28.7% due to the increase in sales volumes, targeted price adjustments and better capacity utilisation and product mix. This was despite a significant rise in direct labour costs in China and increasing raw material expenses. The Group is also resuming growth in its headcount to meet increased demand and to invest in talent to drive growth in emerging markets and to strengthen our functional expertise.

Operating profits for the first half of 2010-11 amounted to US$124 million, compared to only US$33 million achieved in the prior half-year period when the results were also negatively affected by restructuring provisions and asset impairments of US$14 million.

After taking into account net financing costs and an increase in taxation and minority interests, the consolidated profit attributable to shareholders for the first half of the financial year amounted to US$93 million or 2.54 US Cents per share. Although total Group sales remain slightly below the pre-crisis level, this net profit figure for the first half represents a record high for the Company, and is testimony to a much-improved competitive position and the hard work of our people.

The Group's overall financial condition remains excellent with consistently strong operating cash flow and, taking into account cash reserves of US$386 million, a net debt level of less than US$19 million as of 30th September 2010.

Interim Dividend

In consideration of the improved operating environment and profitability of the Company, the Directors have determined that a resumption of interim dividend payments is appropriate and have today declared an interim dividend of 3 HK Cents, equivalent to 0.39 US Cents per share payable on 6th January 2011 to shareholders registered on 5th January 2011.

Driving Innovation and Investing to Grow in Developing Markets

The macro-economic environment in which Johnson Electric operates has undergone truly momentous shifts that in just the past five years has witnessed dramatic volatility in foreign exchange rates, a near-collapse of large sections of the US automotive industry, substantial increases in commodity prices and the most broad-based international economic downturn in more than sixty years.

To achieve and sustain success as a manufacturing enterprise in such conditions has required immense effort and necessitated that we constantly question the way we compete. Whilst it is clear that cost reductions and restructuring have helped the Group come through the global financial crisis in a robust condition, it is also evident to us as managers that we need to adapt our business model and re-tool to maintain our leadership position in the years ahead.

Two particular priorities top our agenda. First, we are committed to be the technology leader in our industry. Our aim is to work collaboratively with our customers to gain deep insight into what they and their customers value most. By leveraging our unrivalled application know-how, we seek to design and engineer unique technology solutions that differentiate our products and deliver tangible customer benefits. One recent example of our product innovation includes high power density motors used in anti-lock braking systems that reduce weight by 40%, improve fuel consumption and lower the carbon footprint impact to the environment. Another example is our patented Quattro Pole™ technology that enables the most optimised power performance in universal motors and delivers 30% higher power for kitchen blenders. These smaller but more efficient motors allow OEM designers greater flexibility to use less material in their end-products.

A second key priority is to build market leading positions in developing countries. Already Johnson Electric derives approximately one quarter of its sales from these markets with China, being the largest geographic source of demand.

China represents a distinct challenge for our Group. On the one hand it has emerged as the world's largest market for automobiles and is also gaining ground in other motion product markets. On the other hand, we maintain a significant part of our production capacity there and consequently must wrestle with the prospect of further increases in local operating costs and a strengthening Renminbi currency. Our response is a multi-pronged strategy of diversifying our manufacturing footprint into other parts of China and elsewhere in the world, selectively automating some parts of our production processes, hiring local engineering talent who understand local market needs and aggressively growing domestic China sales.

Beyond China, there are other emerging markets that represent major sources of future incremental growth for our Company – consequently we are investing in India and increasingly in Latin America for future domestic sales and to provide greater manufacturing flexibility to serve our customers locally and globally.

Prospects

Whilst it is clearly pleasing to report such a positive first half performance, we have a somewhat cautious view of prospects for the remainder of the financial year. In large measure this is due to a prevailing global macro economic picture that is mixed and difficult to predict and to the seasonality of some of our businesses.

In most developed economies, households are reluctant to spend while unemployment remains high and property values depressed. At the same time, many businesses are benefiting from higher export sales to developing markets but they are still apparently hesitant to invest or, if they do seek to borrow, their banks are reportedly less willing to lend than in the past. It is therefore difficult to avoid the conclusion that an element of the recovery in demand has been driven by restocking and, even with sustained demand from developing markets, at some point we should expect a softening in sales volumes. The imposition of government-directed austerity measures in several European countries will likely also have a negative impact on consumer sentiment for some time to come.

Our own internal projections are presently for second half sales to be slightly lower compared to the first half. This, combined with increasing labour costs in China and high commodity prices, gives us reason to be cautious regarding the near term financial outlook. Nonetheless, we must emphasise that the Group has emerged from the global financial crisis stronger, fitter and particularly well-placed to continue to win a substantial share of business in the global motion systems industry.

Patrick Shui-Chung Wang

Chairman and Chief Executive

Hong Kong, 29th November 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW – FINANCIAL HIGHLIGHTS

US$ million	Six months ended	
	30th Sep 2010	30th Sep 2009
Sales	1,030.6	811.7
Gross profit	295.9	216.0
Gross margin%	*28.7%*	*26.6%*
Operating profit	124.0	33.0
Operating margin%	*12.0%*	*4.1%*
Profit attributable to shareholders	92.9	14.6
Earnings per share (US Cents)	2.54	0.40
Earnings before interest, tax, depreciation and amortisation (EBITDA)	165.6	75.9
Free cash flow from operations*	86.9	122.2

US$ million	30th Sep 2010	31st Mar 2010
Cash	385.8	367.1
Debt (Total borrowings)	(404.3)	(408.7)
Net debt	(18.5)	(41.6)
Total equity	1,280.0	1,166.6

Financial ratios**	30th Sep 2010	31st Mar 2010
Debt to EBITDA	1.4	2.1
Interest coverage (EBIT***/Interest expense)	19.5	12.4
Free cash flow from operations to debt	45%	53%
Debt to capital (Total equity + debt)	24%	26%

* *Net cash generated from operating activities plus interest received, less CAPEX net of proceeds from disposal of fixed assets*

** *EBITDA, EBIT, interest expense and free cash flow from operations in the financial ratios computation are based on last twelve months' figures*

*** *Earnings before interest and tax (EBIT) is defined as operating profit (per accounts) plus share of profit/(losses) of associated companies*

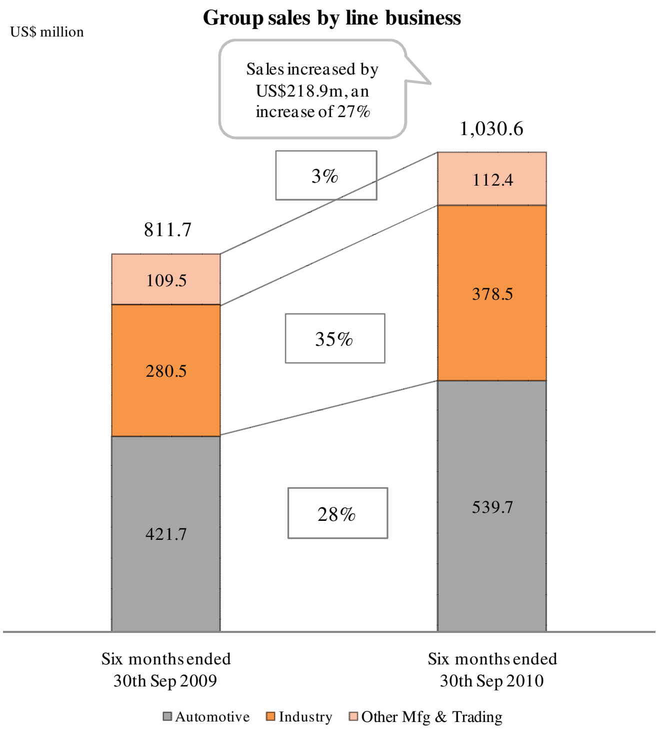
- Global demand showed an upward trend over the first six months of FY2010-11.
- Sales revenue across the regions continued to grow in our Automotive and Industry businesses.
- Gross margin improved due to increased capacity utilisation and a more favorable product-mix.
- Operating margin benefited from leverage of S&A expenses and gross margin improvements.
- Net debt (total non-current and current borrowings, net of cash) was reduced.
- The Group improved its creditworthiness ratio of debt to EBITDA as a result of profit growth. However, the ratio of free cash flow from operations to debt has declined with rising business levels requiring an increase in working capital and capital expenditure, especially to take advantage of growth opportunities in emerging markets and new products.

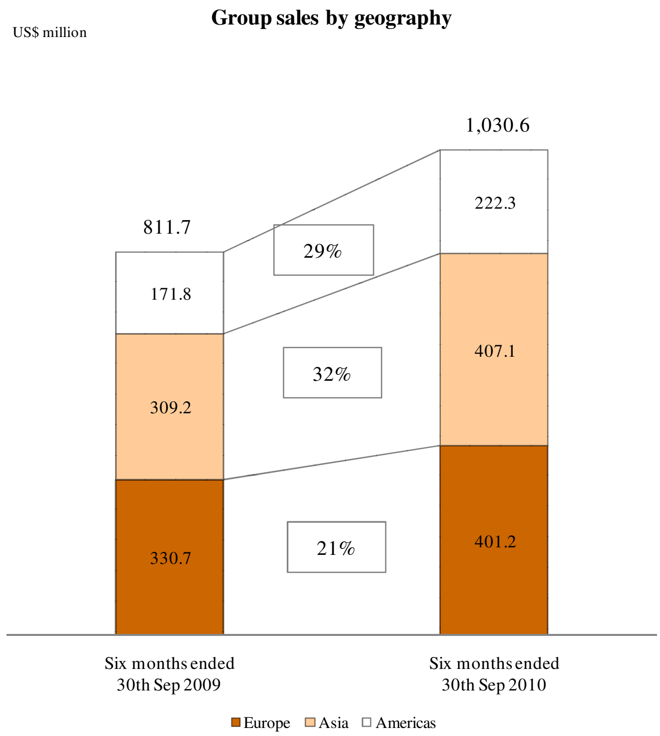
SALES ANALYSIS

Operations in Johnson Electric (JE) share many common features in technology, manufacturing processes, supply chain management, brand and distribution channel management and the business model as a whole. This creates opportunities for revenue growth by leveraging the strength of the Group's technology and in cost reduction through the sharing of resources.

Group sales arise primarily from its manufacturing segment. Manufacturing is divided into Automotive Products Group, Industry Products Group and Other Manufacturing Businesses. Sales for the six months ended 30th September 2010 are analysed below:

GROUP SALES ANALYSIS	Six months ended 30th Sep 2010		Six months ended 30th Sep 2009		Increase/(decrease)		Sales growth at constant exchange rates
US$ million	Sales	%	Sales	%		%	%
MANUFACTURING SEGMENT							
Motors	393.6	38.2%	302.4	37.3%	91.2	30%	33%
Motion systems	146.1	14.2%	119.3	14.7%	26.8	22%	28%
Automotive Products Group (APG)	**539.7**	**52.4%**	**421.7**	**52.0%**	**118.0**	**28%**	**32%**
Motors	291.7	28.3%	215.5	26.5%	76.2	35%	35%
Motion systems	86.8	8.4%	65.0	8.0%	21.8	34%	38%
Industry Products Group (IPG)	**378.5**	**36.7%**	**280.5**	**34.5%**	**98.0**	**35%**	**36%**
Other Manufacturing Businesses	**111.2**	**10.8%**	**96.9**	**11.9%**	**14.3**	**15%**	**16%**
TOTAL MANUFACTURING	**1,029.4**	**99.9%**	**799.1**	**98.4%**	**230.3**	**29%**	**31%**
TRADING SEGMENT	**1.2**	**0.1%**	**12.6**	**1.6%**	**(11.4)**	**(90%)**	**(90%)**
TOTAL SALES	**1,030.6**	**100.0%**	**811.7**	**100.0%**	**218.9**	**27%**	**29%**





Excluding currency effects sales growth for first six months of FY2010-11 vs same period last year: Overall 29%, Europe 28%, Asia 31%, Americas 29%

SALES REVIEW

JE witnessed a continued recovery in sales over the first six months of FY2010-11. Group sales in the first half of FY2010-11 increased to US$1,030.6 million; an increase of 27% from US$811.7 million for the same period last year.

MANUFACTURING SEGMENT

Automotive Products

- Sales for the first half of FY2010-11 were US$539.7 million; a substantial increase of 28% from US$421.7 million in the same period last year. This increase resulted from an expansion in demand by OEMs in fast growing emerging markets, some recovery in North America and Europe and an increase in our market share driven by the launch of a number of new programs.

- Increasingly, the demand for comfort and convenience features is driving growth in power closure systems, power seat adjustments and climate control motion systems, resulting in higher demand for our products. Traditionally, these applications were only available on higher-end vehicles but demand for these options has resulted in increasing installation in all types of vehicles.

- Growth in environmentally friendly products continues. Government legislation to lower emissions and increase fuel efficiency has boosted demand for our products. Our innovative products for engine air and fuel management and transmission applications, are enabling higher performance from smaller engine sizes.

- The growing market requirement for improved vehicle safety is being met by our newly developed products for anti-lock braking systems, electronic stability control and electric parking brakes.

- China, Korea and India continued to be key growth markets. We benefited from rising demand in China and improved our market share with an increase in the electrification of vehicle accessories. Korean OEMs' expansion into India and China, with high local sourcing, contributed to our growth in these markets. We also gained market share from product launches leveraging the technology-driven product portfolio we developed for European markets.

- In Europe, improvements in the global economy buoyed the recovery of the automotive export market. We also benefited from the development of innovative products for braking, engine air and fuel management systems and power closure systems, as well as growth in new applications such as motors for lumbar support.

- In the Americas, sales for the first half of FY2010-11 returned in line with the market recovery, after being hit particularly hard in the same period last year by the economic downturn and extended OEM shutdowns. Sales also gained from significant growth in products supporting improved fuel efficiency and the shift towards smaller vehicles.

- We continue to see opportunities for the increased electrification of vehicle features in emerging markets. Building local capacity in these key markets to meet the specific needs of customers ensures our continued competitive advantage.

Industry Products

- Sales for the first half of FY2010-11 were US$378.5 million; a substantial increase of 35% from US$280.5 million for the same period last year. This increase came from a market rebound across all products, key business wins in the gaming and household appliance segment, innovative solutions for metering applications and significant inventory restocking.

- Sales increased as demand for inexpensive consumer products for food preparation, floor care and personal care applications rebounded sharply. Demand in the more expensive white goods segment is recovering more slowly due in large part to continued weakness in housing markets in many western economies. Office automation sales improved with the market shifting towards the laser printing segment, where we have a strong product offering.

- In Asia, we benefited from the launch of higher-power-density motors to deliver lighter weight without sacrificing performance. This has been particularly successful in the power tools segment. The recently launched motion subsystem for the gaming segment has helped our growth.

- Sales in Europe and the Americas grew as a result of a ramp-up in demand across the printer, gaming, power tool and food and beverage market segments, as well as significant restocking. New product launches to improve efficiency in the lawn and garden segment have helped grow sales. Also, we penetrated new markets with advanced and reliable solutions for electrical and gas metering systems.

- We continued to focus on the development of energy efficient products as well as products with higher density to reduce size and weight to meet government environmental regulations and customer expectations.

Other Manufacturing Businesses

- Sales for Parlex, a printed circuit board and interconnect solutions provider, were essentially flat at US$35.7 million for the first half of FY2010-11, compared to US$35.5 million for the same period last year. Asia witnessed marginal growth in sales for products in point-of-sales terminals and auto lighting markets offset by a slight decline in other markets.

- Sales for Saia-Burgess Controls, a supplier of programmable logic controllers and components whose primary activity is in Europe, increased to US$37.0 million for the first half of FY2010-11; an increase of 6% from US$34.8 million for the same period last year. This growth came mainly from increased market share in the infrastructure automation segment in Germany, aided by the recovery in demand for industrial machine applications.

- Tonglin Precision Parts, an independent supplier of iron cast and machined engine blocks to the domestic PRC automotive sector, had sales revenue of US$38.5 million for the first half of FY2010-11; an increase of 45% from US$26.6 million in the same period last year. This increase resulted mainly from the merger of China Autoparts, Inc. (a non-wholly owned subsidiary of Johnson Electric) with Tian Xi Auto Parts Group Co., Ltd. in July 2009 to form the Tonglin Precision Parts which is 52% owned by Johnson Electric.

TRADING SEGMENT

Sales in our Trading Segment for the first half of FY2010-11 reduced to US$1.2 million; a decrease of US$11.4 million from US$12.6 million in the same period last year. This decline is in line with our strategy of downsizing our metals and commodities trading business.

FINANCIAL REPORT

ANALYSIS OF PROFIT & LOSS

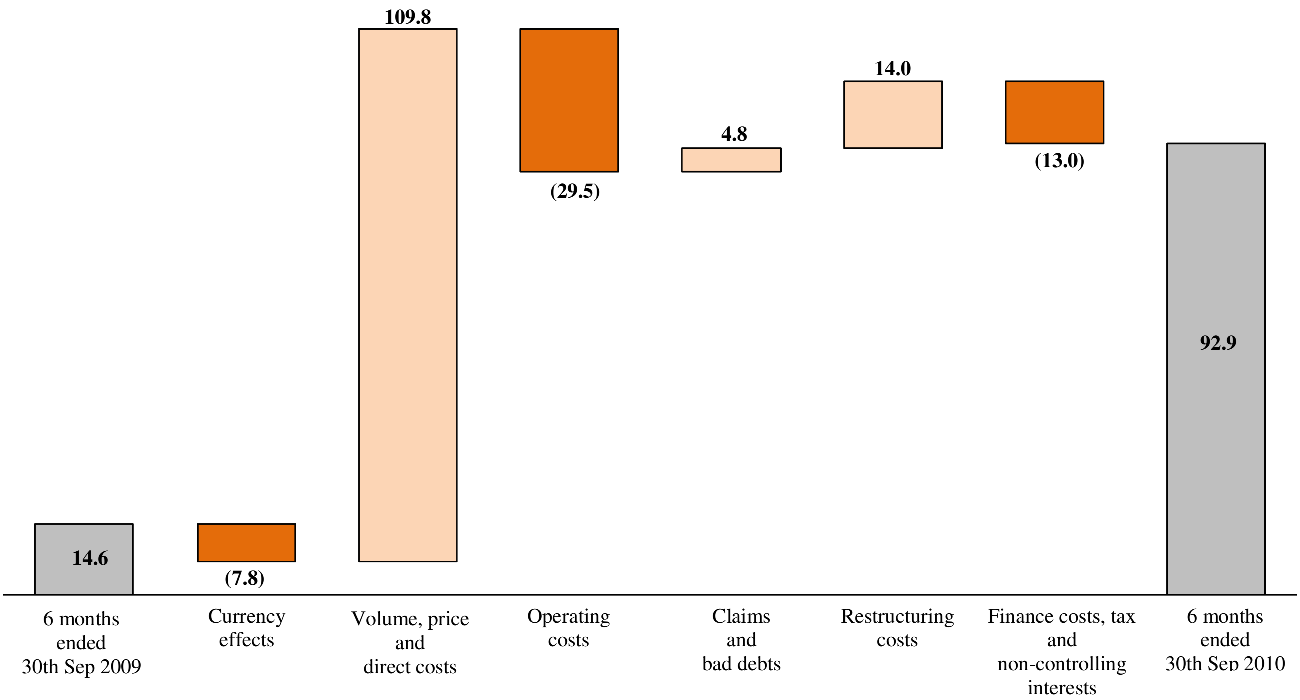
US$ million	Six months ended 30th Sep 2010	Six months ended 30th Sep 2009	Increase/ (decrease) in profit
Sales	1,030.6	811.7	218.9
Gross profit	295.9	215.9	80.0
Gross margin %	*28.7%*	*26.6%*	*2.1%*
Other income and gains/(losses)	-	(1.2)	1.2
Selling and administrative expenses ("S&A")	(171.9)	(167.7)	(4.2)
S&A %	*16.7%*	*20.7%*	*(4.0%)*
Operating profit before restructuring	124.0	47.0	77.0
Restructuring provision and asset impairments	-	(14.0)	14.0
Operating profit	124.0	33.0	91.0
Operating margin %	*12.0%*	*4.1%*	*7.9%*
Finance costs, net	(3.9)	(3.1)	(0.8)
Share of profits/(losses) of associated companies	-	(0.2)	0.2
Profit before income tax	120.1	29.7	90.4
Tax expenses	(22.0)	(10.4)	(11.6)
Effective tax rate %	*18.3%*	*35.0%*	
Profit for the period	98.1	19.3	78.8
Non-controlling interests	(5.2)	(4.7)	(0.5)
Profit attributable to shareholders	92.9	14.6	78.3

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders for the first half of FY2010-11 increased to US$92.9 million; an increase of US$78.3 million compared to the same period last year.

Changes in profit attributable to shareholders

US$ million



Profitability was impacted by the following:

- Currency effects: the translation of costs and revenues in foreign currencies reduced operating profit by US$7.8 million, mainly caused by the Euro weakening against the US Dollar.
- Volume, price and direct costs: increased sales generated an increased contribution margin of approximately US$75.3 million. This included US$13.3 million increase in direct labor costs arising from increased PRC direct labor rates. Additionally, favorable product-mix and improved capacity utilisation resulted in increased profits of US$40.0 million. This was partially offset by increased commodity costs of US$10.8 million. A further contributing factor was US$5.3 million arising from increased scrap recovery from higher volumes and prices.
- Operating costs increased by US$29.5 million. This included an increase of US$14.7 million in staff costs and US$14.8 million in other operational costs. The increase in staff costs arose mainly from staff replenishment, in the response to the overall business recovery.
- Claims and bad debts decreased by US$4.8 million, primarily due to a non-recurring litigation settlement of US$17.6 made last year.
- Restructuring costs were nil in the first half of FY2010-11, a decrease of US$14.0 million compared to the same period last year.
- Finance costs, tax and non-controlling interests increased by US$13.0 million primarily as a result of an increase in taxation of US$11.6 million. The effective tax rate was 18.3% for the period. Finance costs increased by US$0.8 million due to higher rates of interest.

ANALYSIS OF CASH FLOW AND LIQUIDITY

US$ million	Six months ended 30th Sep 2010	30th Sep 2009	Change
Operating profit	124.0	33.0	91.0
Depreciation, amortisation and associates	41.6	42.9	(1.3)
EBITDA	***165.6***	***75.9***	***89.7***
Other non-cash items in profit before tax	4.5	4.3	0.2
Working capital change	(33.9)	64.6	(98.5)
Cash flows from operating activities	***136.2***	***144.8***	***(8.6)***
Tax paid	(9.6)	(5.9)	(3.7)
Interest paid	(4.9)	(3.5)	(1.4)
Net cash generated from operating activities	***121.7***	***135.4***	***(13.7)***
Interest received	1.7	1.2	0.5
Capital expenditure	(38.9)	(14.8)	(24.1)
Proceeds from disposal of fixed assets	2.4	0.4	2.0
Free cash flow from operations	***86.9***	***122.2***	***(35.3)***
Cost of acquisition of subsidiaries and non-controlling interests	(0.4)	(28.8) *	28.4
Dividend paid	(23.7)	-	(23.7)
Currency swap unwound	(35.1)	-	(35.1)
Others	(7.1)	-	(7.1)
Cash generated	***20.6***	***93.4***	***(72.8)***
Exchange gains on cash and borrowings	2.5	3.4	(0.9)
Net movement in cash, overdrafts and borrowings (Net debt)	***23.1*** (a)	***96.8***	***(73.7)***

Net debt analysis	30th Sep 2010	31st Mar 2010	Decrease/ (increase)
Cash	385.8 **	367.1 **	18.7
Current borrowings	(5.1)	(7.0)	1.9 ***
Non-current borrowings	(399.2)	(401.7)	2.5 ***
Net debt outstanding	***(18.5)***	***(41.6)***	***23.1*** (a)

* *Includes two acquisitions: (i) acquisition of Tian Xi Auto Parts Group Co,. Ltd. for a total consideration of US$21.9 million, comprised of US$7.8 million purchase cost, net of cash acquired, plus debt assumed of US$14.1 million; (ii) acquisition of non-controlling interests in Nanomotion Ltd. at a consideration of US$6.9 million*

** *Includes time deposit of US$3.3 million as of 30th September 2010 and US$3.9 million as of 31st March 2010*

*** *Repayment of current and non-current borrowings of US$5.3 million for the six months ended 30th September 2010 offset by amortisation of upfront fee of US$0.8 million and exchange gains of US$0.1 million*

WORKING CAPITAL CHANGE

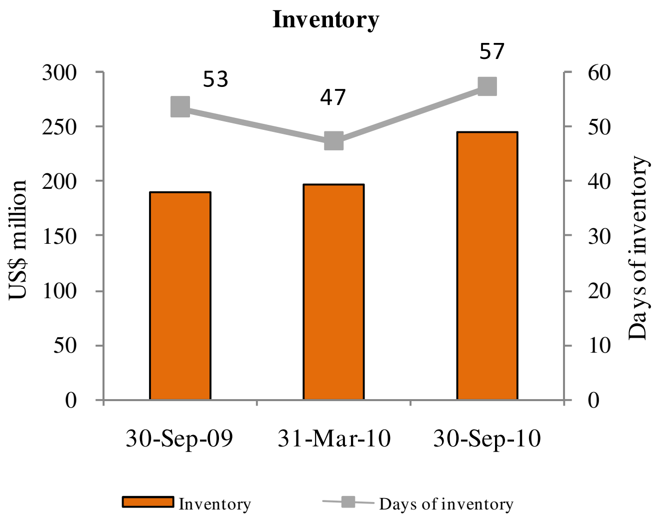
US$ million	31st Mar 10	Currency translation	Currency swap unwound	Pension, hedging & interest payable	Increase/ (decrease) in operating working capital net of exchange	30th Sep 10
Stocks and other work in progress	196.3	(1.8)	-	-	49.9	244.4
Trade and other receivables	360.3	3.5	-	-	48.2	412.0
Deposits - non current	3.2	-	-	-	3.2	6.4
Trade and other payables	(341.1)	(3.1)	-	-	(67.0)	(411.2)
Provisions and other liabilities#	(74.5)	(1.0)	-	(12.8)	(0.5)	(88.8)
Other financial assets/ (liabilities), net	(33.8)	0.1	35.1	2.3	0.1	3.8
Total working capital per balance sheet	110.4	(2.3)	35.1	(10.5)	**33.9** ##	166.6

\# *Current and non current*

\## *Denotes the working capital change for the six months ended 30th September 2010 as reflected in the cash flow on previous page*

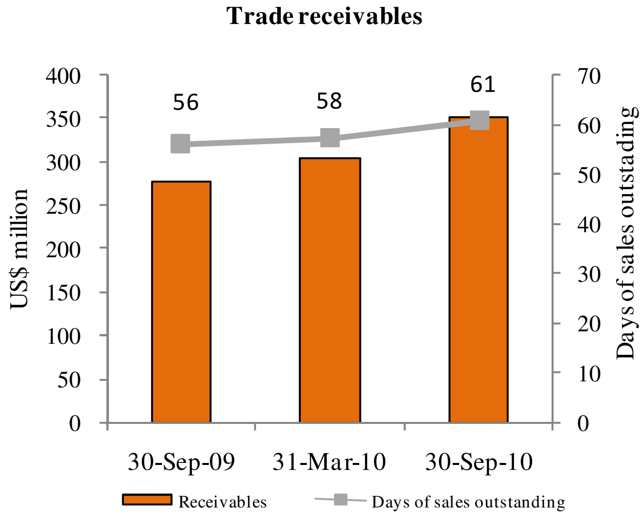
Stocks and work in progress

- Stocks increased to US$244.4 million as of 30th September 2010; an increase of US$48.1 million from US$196.3 million as of 31st March 2010. Excluding currency effects, stocks increased by US$49.9 million.
- Days of inventory increased from 47 as of 31st March 2010 to 57 as of 30th September 2010. This was mainly due to seasonal growth in inventory levels.



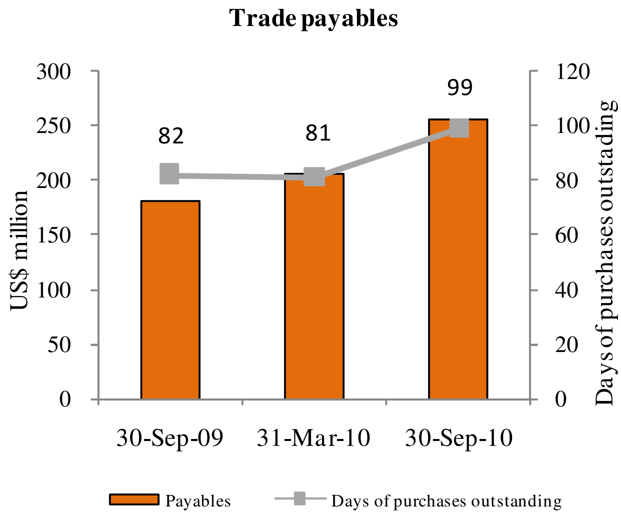
Trade and other receivables

- Trade and other receivables increased to US$412.0 million as of 30th September 2010; an increase of US$51.7 million from US$360.3 million as of 31st March 2010. Excluding currency effects, receivables increased by US$48.2 million.
- Days of sales outstanding of trade receivables, increased from 58 as of 31st March 2010 to 61 as of 30th September 2010. We continue our focus on tight credit policy and receivables collection efforts.



Trade and other payables

- Trade and other payables increased to US$411.2 million as of 30th September 2010; an increase of US$70.1 million from US$341.1 million as of 31st March 2010. Excluding currency effects, payables increased by US$67.0 million.
- Days of purchases outstanding increased from 81 as of 31st March 2010 to 99 as of 30th September 2010, partly due to the seasonal increase in inventory.



Provisions and other liabilities

Provisions and other liabilities increased to US$88.8 million as of 30th September 2010; an increase of US$14.3 million from US$74.5 million as of 31st March 2010, mainly due to actuarial losses on pension funds recognised in equity and increase in provision for claims and compensation.

Tax paid

Tax paid, net of refunds, in the period increased by US$3.7 million from US$5.9 million to US$9.6 million, mainly due to increasing profits generated in China.

Interest paid

Interest paid increased by US$1.4 million from US$3.5 million to US$4.9 million due to higher average interest rate for the term loan with banks.

Interest received

Interest received in the first half of FY2010-11 increased to US$1.7 million; an increase of US$0.5 million from US$1.2 million in the same period last year.

Capital expenditure net of proceeds from disposal of fixed assets

Capital expenditure, net of proceeds from disposal of fixed assets, in the first half of FY2010-11 increased substantially to US$36.5 million; an increase of US$22.1 million from US$14.4 million in the same period last year. This reflects increased capacity for new products, improved process flow and efficiency and the ongoing replacement of assets.

Free cash flow from operations

Free cash flow from operations in the first half of FY2010-11 was US$86.9 million; a decrease of US$35.3 million from US$122.2 million in the same period last year. The increase in EBITDA was offset by increased working capital due to rising business levels and capital expenditures. Free cash flow from operations as a percentage of gross debt for the twelve months ended 30th September 2010 decreased to 44.5%, from 52.6% for the year ended 31st March 2010.

Acquisitions and mergers

The cash outlay in the first half of FY2010-11 was to acquire shares of non-controlling stakeholders in Nanomotion Ltd. at US$0.4 million.

The cash outlay of US$28.8 million in the same period last year was due to two acquisitions: (i) acquisition of Tian Xi Auto Parts Group Co., Ltd. for a total consideration of US$21.9 million, comprised of US$7.8 million purchase cost, net of cash acquired, plus debt assumed of US$14.1 million; (ii) acquisition of non-controlling interests in Nanomotion Ltd. at a consideration of US$6.9 million.

Dividend payments

A final dividend payment of US$23.7 million for FY2009-10 was paid in the first half of FY2010-11. No dividends for FY2008-09 were paid in FY2009-10 in line with the board's policy of retaining cash within the business in the near term, during the poor economic conditions at that time.

An interim dividend of US$14.2 million has been recommended for the first half of FY2010-11, to be paid in the second half of FY2010-11.

Currency swap

The Group paid US$35.1 million to unwind cross-currency swaps of Swiss Franc 200 million to US$152.6 million. The cross-currency swaps were entered in March 2006 to finance the acquisition of Saia-Burgess group based in Switzerland.

Others

Cash outflows from other investment increased by US$7.1 million due to the repurchase of US$4.6 million treasury shares (10 million shares) from the market and the payment of dividends of US$2.5 million to non-controlling shareholders.

Exchange gains on cash and borrowings

Exchange differences on cash and borrowings moved by US$0.9 million from US$3.4 million profit in the first half of FY2009-10 to a US$2.5 million profit in the same period of FY2010-11.

Net movement in cash, overdrafts and borrowings (Net debt)

The Group's debt to capital ratio was 23.9% as of 30th September 2010, compared to 25.9% as of 31st March 2010.

- Net debt (total non-current and current borrowings, net of cash) fell by US$23.1 million from US$41.6 million as of 31st March 2010 to US$18.5 million as of 30th September 2010.
- This overall reduction in net debt resulted from a US$18.7 million increase in cash, a US$1.9 million reduction in current borrowings and a US$2.5 million reduction in non-current borrowings.

FINANCIAL MANAGEMENT AND TREASURY POLICY

The management of financial risk within the Group is the responsibility of the Group's treasury function, based at the corporate centre in Hong Kong. Policies are established by senior management.

Liquidity

As of 30th September 2010, the Group had a term loan of US$400.0 million, subject to the usual terms and conditions by a bank group for an industrial credit. The Group was in compliance with all covenants and expects to be compliant going forward.

Other loans of US$8.2 million are held with maturity dates ranging from Feb 2011 to May 2018.

As of 30th September 2010 the Group had cash on hand of US$385.8 million. The Group has approximately US$290.0 million of uncommitted lines of credit provided by its relationship banks. We believe that the combination of our ongoing free cash flow from operations, cash balances and available credit facilities will be sufficient to satisfy our cash needs for our current level of operations and our planned operations for the foreseeable future.

Foreign exchange risk

The Group operates globally and is therefore exposed to foreign exchange risk.

- The Group's sales are principally denominated in US Dollar, the Euro and the Chinese Renminbi.
- In the Group's businesses, for the first half of FY2010-11, 51% of the sales (49% in the same period last year) were in US Dollars, 30% in Euros (32% in the same period last year), 13% in Chinese Renminbi (12% in the same period last year) and the rest in other currencies including Japanese Yen.
- The major currencies used for purchases of materials and services are the US Dollar, the Euro, the Hong Kong Dollar and the Chinese Renminbi.
- The Group mitigates some of its foreign exchange risk through forward contracts, based on forecasts of net cash flows from operations denominated in foreign currency.

RISK MANAGEMENT

The company identifies and manages its Strategic, Operation, Financial and Compliance risks through responsive management oversight and business processes. Specific areas of focus include:

- Ensuring the suitability of our operational footprint to respond quickly and cost-effectively to market changes.
- Seeking product differentiation through technology and innovation to be the safe choice for our customers.
- Continuously improving our engineering and manufacturing processes.
- Attracting and retaining high-calibre management and key personnel and building effective networks of key employees and partners to safeguard our business success.
- Evaluating customer credit risk and maintaining a low tolerance for delinquent payments.
- Applying appropriate hedging strategies to manage foreign exchange risks, commodity cost risks and interest rate risks.
- Meeting expectations on energy efficiency, environmental responsibilities and employee safety.

INVESTING IN PEOPLE

The first six months of FY2010-11 were characterised by headcount increases at our large manufacturing campus in Shajing, China. These increases were driven by strong demand in our markets for products from both our APG and IPG business units.

During the period, we opened a new manufacturing location in Bei Hai, Guanxi Province, China. We have established a local management team and total headcount at the site now stands at approximately 1,200.

Our Chennai, India manufacturing location, is growing from the small base established in FY 2009-10. Local management is in place and this site will continue to expand, initially focusing on the Indian automotive market. A training and development program for young graduates from Indian technical colleges is being established to provide depth to the technology and maintenance requirements at this site.

During the period, our Nihon Mini Motors location in Saku, Nagano Prefecture, Japan was closed. Some employees from this location were successfully relocated to our Tokyo office. Saku production has been redistributed throughout the Company. During October, the Tokyo office will relocate to new facilities in the Ariake, Koto-ku area, to better serve customers and provide an excellent work environment.

In Hong Kong and China, we responded to the strong market conditions present in Asia. In China, direct labor costs rose both in line with required statutory wage increases, but also to meet increasing wage/benefit expectations by the workforce. Currently, the direct labour workforce is demonstrating greater stability and commitment to the company than in the past. The Shajing Human Resources team, along with operating management, has developed and installed a number of effective programs to encourage this trend.

In the Americas, attention has been directed to Brazil where business opportunities have led the Company to add management capability both in-country and by providing support from the United States. Whether in the Americas or elsewhere in the Company, managers and technical staffs are increasingly gaining cross-border experience, strengthening the Company’s operating and technology know-how.

In the United States, the Human Resources team focused on optimising benefit structures and administration.

In Europe, activity levels continued to strengthen in Hungary and operating and management personnel at Ózd and Hatvan responded well to the demands.

For various locations in Europe, our engineering competence centres are being further developed to foster environments of “efficient innovation” where technical personnel can contribute to the development of customer-focused solutions.

As of 30th September 2010, total employment including subcontract workers of the Group stood at approximately 41,000 located in Asia, the Americas and Europe.

HUMAN RESOURCES MANAGEMENT

Human Resources, Environmental, Health and Safety and Training and Development are corporate-wide functions, provided via a Shared Service structure. Key initiatives continue to be equitable and competitive compensation, benefit and incentive structures, a system-based approach to Environmental Health and Safety requirements and a growing commitment to Training and Development activities. All of these contribute to differentiating Johnson Electric from its competitors for business and people.

Executive management has a noteworthy commitment to these key Human Resources initiatives. As has characterised the history of Johnson Electric, people-centered programs such as these continue to be encouraged and invested in at all of the Company's locations.

CORPORATE GOVERNANCE

Johnson Electric is committed to achieving high standards of corporate governance that properly protect and promote the interests of its shareholders and devotes considerable effort to identifying and formalising best practices of corporate governance.

During the six months ended 30th September 2010, Mr. Joseph Chi-Kwong Yam was appointed as an Independent Non-Executive Director of the Company with effect from 30th September 2010. Save for the above, the composition of the Board of Directors remains the same as set out in the Corporate Governance Report in the Company's Annual Report 2010.

During the six months ended 30th September 2010, the Company continued to abide by the corporate governance practices set out in the Corporate Governance Report in the Company's Annual Report 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30th September 2010, the Company had complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviations:

Code Provision A.2.1

Code A.2.1 provides, inter alia, that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Neither the Company's Bye-Laws nor The Johnson Electric Holdings Limited Company Act, 1988 (a private act of Bermuda) contains any requirement as to the separation of these roles.

Dr. Patrick Shui-Chung Wang is the Chairman and Chief Executive of the Company. The Board is of the opinion that it is appropriate and in the best interests of the Company at its present stage of development that Dr. Wang should hold both these offices. The Board believes that it is able effectively to monitor and assess management in a manner that properly protects and promotes the interests of shareholders.

Code Provision A.4.1 and A.4.2

Code A.4.1 provides, inter alia, that non-executive directors should be appointed for a specific term, subject to re-election.

Code A.4.2 also provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The independent non-executive directors were appointed for a specific term while the non-executive directors do not have a specific term of appointment. However, under Section 3(e) of The Johnson Electric Holdings Limited Company Act, 1988 and the Company's Bye-Law 109(A), one-third of the directors who have served longest on the Board must retire thus becoming eligible for re-election at each Annual General Meeting. Accordingly, no director has a term of appointment longer than three years. Bye-Law 109(A) states that the executive chairman is not subject to retirement by rotation and shall not be counted in determining the number of directors to retire.

In the opinion of the Board, it is important for the stability and beneficial to the growth of the Company that there is, and is seen to be, continuity of leadership in the role of the Chairman of the Company and, in consequence, the Board is of the view that the Chairman should not be subject to retirement by rotation or hold office for a limited term at the present time.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted procedures governing directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all directors to confirm compliance with the Model Code throughout the six months ended 30th September 2010. No incident of non-compliance was noted by the Company to date in FY2010-11.

Employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code.

REVIEW OF INTERIM RESULTS

The Company's interim report for the six months ended 30th September 2010 has been reviewed by the Audit Committee and the auditor of the Company, PricewaterhouseCoopers.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company purchased 10,000,000 shares of the Company at a cost of US$4.6 million during the period in connection with the Long-Term Incentive Share Scheme for eligible employees and Directors. Other than this purchase, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period. The Company has not redeemed any of its shares during the period.

CLOSING REGISTER OF SHAREHOLDERS

The Register of Shareholders of the Company will be closed from Wednesday, 29th December 2010 to Wednesday, 5th January 2011, both dates inclusive, during which period no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (not the Registrar in Bermuda) for registration, not later than 4:30 p.m. on Tuesday, 28th December 2010.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company *(www.johnsonelectric.com)* and HKExnews website *(www.hkexnews.hk)*. The Company's Interim Report 2010 will be despatched to the shareholders and available on the same websites on or about 9th December 2010.

BOARD OF DIRECTORS

As of the date of this announcement, the Board of Directors of the Company comprises Patrick Shui-Chung Wang, Winnie Wing-Yee Wang, Austin Jesse Wang, being the Executive Directors, and Yik-Chun Koo Wang, Peter Kin-Chung Wang, being the Non-Executive Directors, and Peter Stuart Allenby Edwards, Patrick Blackwell Paul, Oscar de Paula Bernardes Neto, Michael John Enright and Joseph Chi-Kwong Yam, being the Independent Non-Executive Directors.

On behalf of the Board of Directors
Patrick Shui-Chung Wang
Chairman and Chief Executive

Hong Kong, 29th November 2010

Website: www.johnsonelectric.com