JOHNSON ELECTRIC

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 179)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

- Group sales US$1,022 million – down 5% compared to the first half of prior financial year. Excluding currency effects, sales increased by 2%
- Gross profit margin decreased to 27.6% from 30.2%
- EBITDA US$163 million or 16.0% of sales (15.9% in prior year)
- Operating margin 11.2% (11.6% in prior year)
- Net profit attributable to shareholders down 11% to US$98 million or 11.1 US Cents per share on a fully diluted basis
- Total debt to capital ratio of 13% and cash reserves of US$678 million as of 30th September 2015
- Interim dividend increased by 7% to 15 HK Cents per share (1.92 US Cents per share)
- Acquisition of Stackpole International completed on 27th October 2015

LETTER TO SHAREHOLDERS

Johnson Electric recorded somewhat weaker financial results for the six month period ended 30th September 2015 against a backdrop of adverse foreign currency movements and a weakening global economic environment.

Group sales for the first half of the 2015/16 financial year totaled US$1,022 million, a decrease of 5% over the first half of the prior financial year. Excluding currency effects, underlying sales increased by 2%. Net profit attributable to shareholders decreased 11% to US$97.8 million or 11.1 US Cents per share.

The Group's business strategy of strengthening its technology capabilities and expanding its global operating footprint continues to make excellent progress. During the first half, Johnson Electric announced the acquisition of Stackpole International, a leading manufacturer of highly-engineered pumps and powder metal components, as well as the opening of a second manufacturing facility in Mexico. Notwithstanding the difficult current macro-economic environment, these and other strategic initiatives are positioning Johnson Electric for sustained success.

OVERVIEW OF FINANCIAL RESULTS

The Automotive Products Group ("APG"), which contributed over two-thirds of total sales, increased sales by 5% on a constant currency basis compared to the first half of the prior year. The division continues to perform well overall with particularly encouraging underlying performances achieved in the Engine & Transmission, Powertrain Cooling and Actuation Systems business units. However, the significant market presence that these businesses enjoy in Europe means that their reported sales were negatively affected by the weak Euro compared to the US Dollar. During the second quarter of the financial year, APG's sales to Asian based customers also showed signs of softening as the slowdown in China's economy and other developing economies began to impact automotive sales volumes.

In the face of an especially challenging market in China, sales of the Industry Products Group ("IPG") declined by 4% in constant currency terms compared to the same period in the prior year. End-market demand for many of our customers' products remains rather tepid and this combined with intense price competition for lower-end product applications resulted in a disappointing performance by IPG's Asian-based business units. On the other hand, those business units focused on more technology-differentiated motion solutions, including MedTech and Meter & Circuit Breakers, fared much better and recorded healthy double-digit sales increases.

Significant productivity improvements and lower raw material costs helped to minimise the negative impact of reduced sales revenue and higher wage rates, particularly in China. The investment in building out our manufacturing footprint in Mexico and Eastern Europe is also acting as a drag on near term profitability as anticipated. As a result, gross margins in the period declined to 27.6% from 30.2% in the first half of the prior year. A reduction in selling and administrative costs combined with gains from foreign currency hedging and increased other income resulted in operating profits of US$114.9 million or 11.2% of sales (11.6% in the prior year).

Johnson Electric maintained its strong financial condition with a total debt to capital ratio of 13% and cash reserves of US$678 million as of 30th September 2015.

INCREASED INTERIM DIVIDEND

The Directors have today declared a 7% increase in the interim dividend to 15 HK Cents per share, equivalent to 1.92 US Cents per share (2014 interim: 14 HK Cents per share). This is consistent with the previously announced intention to increase gradually the ratio of interim dividends such that it represents approximately one-third of the prior financial year's total dividends paid. The interim dividend will be payable on 6th January 2016 to shareholders registered on 28th December 2015.

ACQUISITION OF STACKPOLE INTERNATIONAL

In August 2015, Johnson Electric announced plans to acquire Stackpole International, a leading manufacturer of highly-engineered automotive engine and transmission pumps and powder metal components. The transaction, which valued Stackpole at C$800 million on an enterprise value basis, was completed on 27th October 2015 and was financed by a combination of Johnson Electric's cash balances and existing revolving credit facilities.

Improving fuel economy and reducing emissions are pivotal drivers of automotive technology today – and Johnson Electric is a market leader in supplying key motion subsystems to support these imperatives. The addition of Stackpole's pumps technology and powder metal expertise is an excellent fit that will enable the Group to provide integrated motorised pumps to customers in a rapidly growing market for electrically controlled solutions in engine and transmission applications. In addition, the acquisition significantly increases Johnson Electric's exposure to the North American automotive market which is presently experiencing strong demand.

STRATEGY AND OUTLOOK

Most global industrial manufacturing businesses today are faced with a mixed operating environment whose only consistent feature is its unpredictability. Although the world economy has stabilised since the 2008-09 financial crisis, underlying demand varies enormously across geographies, yet on the whole is subdued. In addition, commodities and foreign currency markets remain volatile – particularly since the slowdown in China's economy has reduced confidence in what until recently had been viewed as a reliable engine of global growth.

In the face of such difficult conditions, Johnson Electric remains focused on those parts of the business where management has a reasonable degree of influence. First, this means directing our energies to serving customers whose products are aligned to the key underlying trends that will drive long-term consumer demand – including the imperatives to reduce emissions, lower fuel consumption, improve health and safety, and increase mobility and controllability. Second, it requires a relentless effort to improve efficiency and continue to eliminate waste from our operations. Third, we are aggressively expanding a global operating footprint that provides greater customer responsiveness and reduced exposure to foreign currency volatility or single country risk. And lastly, it means continuing to invest in building a team of people who are committed to making our customers successful and to growing a world-class company that can share in that success.

For the remainder of the current financial year, we expect underlying sales levels to be broadly similar to the first half with the weak Euro and slowdown in China's economy continuing to exert pressure on both the top and bottom lines. Full year results will also include a five month contribution from the acquisition of Stackpole International and consequently will be affected by one-time transaction expenses. We look forward to Stackpole making a positive impact on the Group's earnings base over time.

Looking further ahead, I remain confident that despite the challenging operating environment Johnson Electric is pursuing a strategy that will strengthen its competitive position and form the basis for an improved long-term growth and profit trajectory.

On behalf of the Board, I would like to sincerely thank all of our customers, employees, suppliers, shareholders and bondholders for their continued support.

Patrick Shui-Chung Wang *JP*
Chairman and Chief Executive

Hong Kong, 4th November 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

US$ million	First half of FY2015/16	First half of FY2014/15
Sales	1,022.4	1,079.6
Gross profit	282.3	326.0
Gross margin	*27.6%*	*30.2%*
Profit attributable to shareholders	97.8	109.3
Diluted earnings per share (US Cents)	11.12	12.12
EBITDA [1]	163.2	171.8
EBITDA margin	*16.0%*	*15.9%*
Free cash flow from operations [2]	16.6	83.4

US$ million	30 Sep 2015	31 Mar 2015
Cash	677.6	773.2
Total debt [3]	286.6	291.3
Net cash (cash - total debt)	391.0	481.9
Total equity	1,836.7	1,900.9
Market capitalisation [4]	2,827.3	3,032.5
Enterprise value [5]	2,477.6	2,589.3
Enterprise value to EBITDA [6]	7.6	7.7

Credit Quality - Financial Ratios [6]	30 Sep 2015	31 Mar 2015
Free cash flow from operations [2] to total debt	31%	53%
Total debt to EBITDA	0.9	0.9
Total debt to capital (total equity + total debt)	13%	13%

1 Earnings before interest, taxes, depreciation and amortisation

2 Net cash generated from operating activities plus net interest received, less capital expenditure (net of proceeds from disposal of fixed assets) and capitalisation of engineering development costs

3 Total debt calculated as borrowings plus convertible bonds

4 Outstanding number of shares multiplied by the closing share price (HK$25.55 per share as of 30 September 2015 and HK$27.30 per share as of 31 March 2015) converted to USD at the closing exchange rate

5 Enterprise value calculated as market capitalisation plus non-controlling interests plus total debt less cash

6 EBITDA and free cash flow from operations were annualised using the last twelve months' results

- Sales, as reported, declined 5%. Excluding currency effects, sales increased 2% (Automotive Products Group, 5% increase; Industry Products Group, 4% decline).

- Gross profit margin declined to 27.6% excluding the benefit of export sales currency hedge contracts. If adjusted for this hedge benefit (primarily Euro exports), gross margin was 29.3% (last year's margin was 29.8%). EBITDA margin at 16.0% was comparable to last year's margin at 15.9%.

- In August 2015, Johnson Electric announced its intention to acquire the Stackpole International group of companies. This transaction was completed on 27 October 2015 for consideration of about C$870 million (C$800 million enterprise value plus other considerations), largely funded from the Group's cash reserves.

- Total debt to capital ratio was 13% and cash reserves were US$677.6 million as of 30 September 2015.

SALES AND PROFITABILITY

Johnson Electric's Operating Model

Johnson Electric is one of the world's largest providers of motion subsystems, with a global customer base. Operations throughout the Group share many commonalities including advanced technologies, manufacturing processes, vertical integration (with the majority of components manufactured in-house), supply chain, brands, distribution channels and program management.

The Group constantly pursues technology leadership in its key markets. From its innovation and product design centres, the business continuously adds new solutions to its range of motors, solenoids, actuators, micro-switches, flexible printed circuits and microelectronics product platforms. These are then customised to provide high-quality solutions that address our customers' needs.

The Group has also established a flexible and responsive operating footprint. Manufacturing facilities in fifteen countries on four continents provide an annual production capacity of over one billion units.

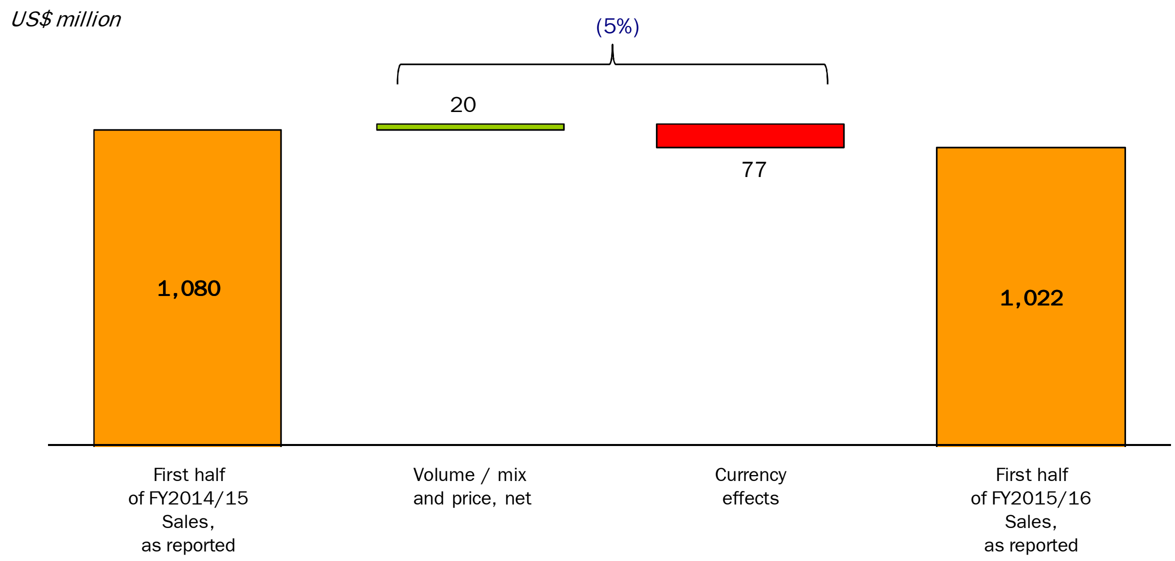
These factors create opportunities for growth by leveraging the strength of the Group's technology and for cost efficiencies through the sharing of resources and continuous improvement of standardised methods and processes.

Sales Review

Sales, as reported, for the first half of FY2015/16 were US$1,022.4 million, a decline of US$57.2 million, 5%, compared to US$1,079.6 million for the same period last year. Excluding currency effects, sales increased by US$19.6 million, 2%, compared to the first half of FY2014/15, as shown below:

US$ million	First half of FY2015/16		First half of FY2014/15		Sales growth
Automotive Products Group ("APG")					
– Sales, excluding currency effects	770.0	70%	736.2	68%	**5%**
– Currency effects	(66.1)		n/a		
APG sales, as reported	703.9		736.2		
Industry Products Group ("IPG")					
– Sales, excluding currency effects	329.2	30%	343.4	32%	**(4%)**
– Currency effects	(10.7)		n/a		
IPG sales, as reported	318.5		343.4		
Group sales					
– Sales, excluding currency effects	**1,099.2**	100%	**1,079.6**	100%	**2%**
– Currency effects	(76.8)		n/a		
Group sales, as reported	**1,022.4**		**1,079.6**		**(5%)**

The drivers underlying these movements in sales are shown in the following chart:



Note: Numbers do not add across due to the effect of rounding

Volume / mix and price, net, increased sales by US$19.6 million. The underlying changes in the sales of the Automotive Products Group and Industry Products Group are discussed on pages 9 to 10.

Currency effects: Currency effects impacted sales by US$76.8 million for the first half of FY2015/16 as the Euro weakened approximately 20% against the US Dollar compared to the same period last year. The Group's sales are largely denominated in the US Dollar, the Euro and the Chinese Renminbi.

Automotive Products Group

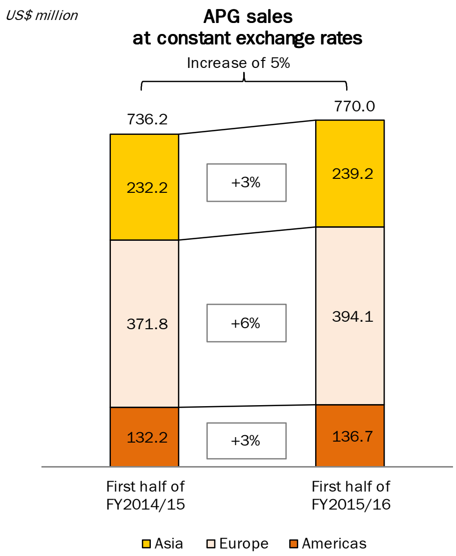
APG delivered growth across all regions. Sales, excluding currency effects, increased 5% compared to the same period last year (Asia: 3%, Europe: 6%, Americas: 3%), despite the slowdown in China vehicle sales growth.

Half-yearly trend in sales
(excluding currency effects)

	APG sales growth/(decline)			
Six month period ended	Asia	Europe	Americas	Total *
30 September 2015	3%	6%	3%	5%
31 March 2015	12%	4%	(6%)	4%
30 September 2014	13%	6%	(9%)	5%
31 March 2014	10%	13%	(2%)	9%
30 September 2013	(1%)	7%	3%	4%
31 March 2013	2%	6%	4%	4%
30 September 2012	15%	3%	6%	7%

* Comparing each six months' results to the same period in the previous fiscal year

In Asia, sales of products for powertrain cooling systems and sunroof applications increased as customer programs ramped up. The business also benefited from increased demand for products for braking applications to meet safety requirements. These increases were slightly offset by reduced sales of products for seat adjustment and door lock applications.



In Europe, sales increased across a broad range of products, especially for our recently launched compact, power-efficient, low-noise heating, ventilation and air-conditioning ("HVAC") actuators, and customised engine coolant valve actuators that improve thermal management. We also benefited from growth in sales of our existing platforms for engine air management.

In the Americas, sales of products for HVAC, door locks and washer pump applications increased due to the combined effects of customer growth and the ramp-up of recently launched customer programs. These increases were partially offset by reduced sales of products for seat adjustment applications due to older products having reached end of life.

The Powertrain Cooling business including the "GATE" brand, primarily engaged in the manufacture and sale of cooling fan modules for OEM and Tier 1 customers, accounted for 25% of the total Group's sales in the first half of FY2015/16 (25% in the first half of FY2014/15). Sales for this business unit, excluding currency effects, increased 3% in the first half of FY2015/16 compared to the same period last year. This was driven by a ramp-up in production of key global customer platforms incorporating brushless technology as well as continued growth of brushed powertrain cooling products in China and Europe.

Industry Products Group

IPG's sales excluding currency effects, declined 4% compared to the same period last year. The slowdown of China export markets, led to a 17% decline in Asia sales. This was partially offset by growth in Europe and the Americas (Europe: 6% growth, Americas: 4% growth), driven by IPG's emphasis on investing in differentiated technology.

In Asia, sales declined across a broad range of market segments as discussed above. Competitive pressure in lower-end applications continued to depress IPG's sales in Asia. The business is repositioning itself to reduce its exposure to these commoditised applications and focus on market segments which value our differentiated motion solutions.

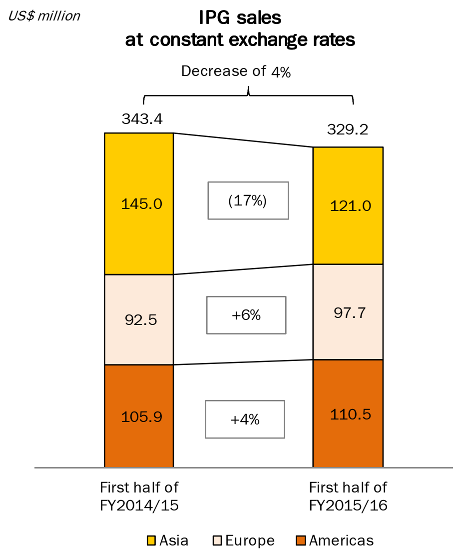
In Europe, sales increased largely due to growth in lawn and garden, building automation and distribution applications with new business wins and the ramp-up of existing customer programs. This was partially offset by reduced demand for products for food and beverage applications. Sales in other market segments across the region was essentially flat.

In the Americas, sales increased largely due to growth in medical and industrial equipment applications with new customers, new products being manufactured and the ramp-up of existing customer programs. This was partially offset by reduced demand for products for metering applications. Sales in other market segments were essentially flat.

Half-yearly trend in sales (excluding currency effects)

	IPG sales growth/(decline)			
Six month period ended	Asia	Europe	Americas	Total *
30 September 2015	(17%)	6%	4%	(4%)
31 March 2015	(3%)	6%	16%	5%
30 September 2014	(4%)	5%	8%	2%
31 March 2014	2%	(6%)	-	(1%)
30 September 2013	(10%)	(11%)	1%	(7%)
31 March 2013	(8%)	(9%)	(5%)	(8%)
30 September 2012	(13%)	(8%)	1%	(8%)

* Comparing each six months' results to the same period in the previous fiscal year

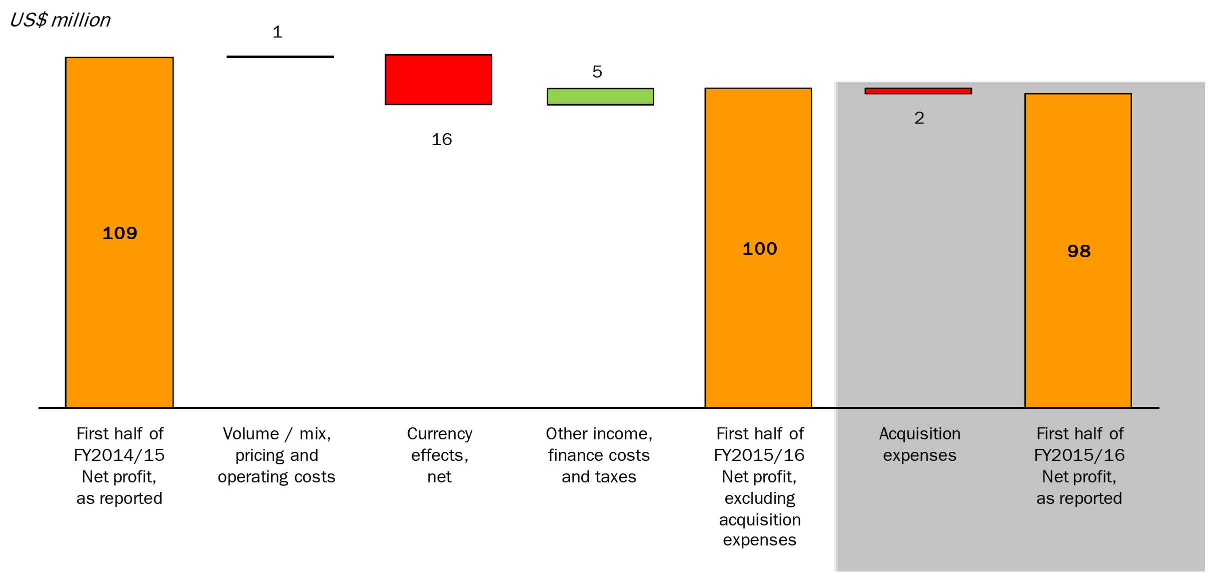


Profitability Review

Profit attributable to shareholders declined to US$97.8 million for the first half of FY2015/16, compared to US$109.3 million in the first half of FY2014/15.

US$ million	First half of FY2015/16	First half of FY2014/15	Increase/ (decrease) in profit
Sales	1,022.4	1,079.6	(57.2)
Gross profit	282.3	326.0	(43.7)
Gross margin %	*27.6%*	*30.2%*	
Other income and gains, net	14.0	7.5	6.5
Selling and administrative expenses ("S&A")	(181.4)	(208.5)	27.1
S&A %	*17.7%*	*19.3%*	
Operating profit	114.9	125.0	(10.1)
Operating profit margin %	*11.2%*	*11.6%*	
Net interest (expense) / income	(0.3)	3.2	(3.5)
Share of profit of associate	0.5	0.4	0.1
Profit before income tax	115.1	128.6	(13.5)
Income tax expense	(13.0)	(15.0)	2.0
Effective tax rate	*11.3%*	*11.7%*	
Profit for the period	102.1	113.6	(11.5)
Non-controlling interests	(4.3)	(4.3)	-
Profit attributable to shareholders	97.8	109.3	(11.5)

Profit Attributable to Shareholders



Note: Numbers do not add across due to the effect of rounding

Excluding acquisition expenses (discussed below), profit attributable to shareholders for the first half of FY2015/16 amounted to US$99.6 million compared to US$109.3 million for the same period last year.

Volume / mix, pricing and operating costs: Profits were helped by increased volumes and cost reduction activities in the first half of FY2015/16 partially offset by wage and salary inflation (especially in China). Profits also benefited from lower commodity costs, partially offset by sales price adjustments. The Group increased headcount and associated operating costs with further new product launches in its operations in Mexico and Serbia. Overall, these changes marginally increased profit by US$0.7 million, net, in the first half of FY2015/16, compared to the same period last year.

Currency effects, net: The Group's global operations expose it to foreign exchange volatility, partially mitigated by hedging key currencies such as the Euro and the Chinese Renminbi. The significant weakening of the Euro (approximately 20% down from the same period last year) decreased sales and operating profit. The strengthening of the Swiss Franc against the Euro increased the cost of our Swiss operations. Consequently, gross margin declined to 27.6%, compared to 30.2% for the same period last year. Including the effects of currency hedge gains (largely from the movement of the Euro against the US Dollar) reported in selling and administrative expenses, gross margin was down slightly at 29.3% compared to 29.8% for the same period last year. EBITDA margin at 16.0% was comparable to last year's margin at 15.9%.

The net effect of currency movements decreased profit by US$15.5 million in the first half of FY2015/16 compared to the same period last year. See Note 1 to the accounts for the exchange rates used to translate key foreign currencies.

Other income, finance costs and taxes: Other income increased by US$6.6 million, largely due to higher gains on the disposal of real estate and fair value gains on investment property. This is analysed further in Note 13 to the accounts. Net interest income declined by US$3.5 million as the Group switched from holding a significant proportion of its cash in the Chinese Renminbi to holding it in the US Dollar, due to expectations of rising US Dollar interest rates. This is analysed further in Note 15 to the accounts. Tax expenses decreased by US$2.0 million. The effective tax rate declined slightly to 11.3% for the first half of FY2015/16 (first half of FY2014/15, 11.7%). Taxes are analysed further in Note 17 to the accounts.

Acquisition expenses: In August 2015, Johnson Electric announced its intention to acquire the Stackpole International group of companies. This transaction was completed on 27 October 2015 for consideration of about C$870 million (C$800 million enterprise value plus other considerations) subject to post-closing adjustments and transaction expenses incurred for the acquisition.

Acquisition expenses amounted to US$1.8 million (approximately C$2.3 million) were incurred in the first half of FY2015/16. In the second half of the year, we expect to incur additional transaction expenses of C$18 million to completely consummate the acquisition.

This transaction is discussed further in Note 23 to the accounts.

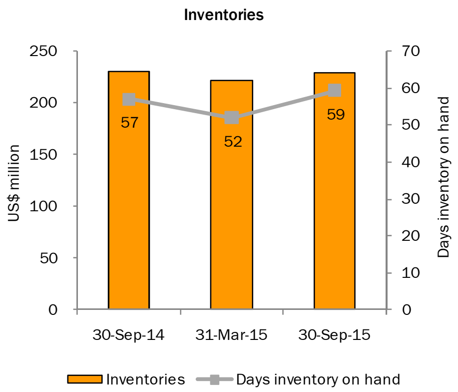
WORKING CAPITAL

US$ million	Balance sheet as of 31 Mar 2015	Currency translations	Pension, hedging and others	Working capital increase per cash flow	Balance sheet as of 30 Sep 2015
Inventories	222.0	(7.3)	-	14.6	229.3
Trade and other receivables	414.8	-	0.1	8.4	423.3
Other non-current assets	9.7	0.1	7.6	1.3	18.7
Trade and other payables [1]	(398.1)	3.5	(1.5)	31.2	(364.9)
Provision obligations and other liabilities [1, 2]	(56.6)	(0.8)	0.6	2.9	(53.9)
Other financial assets / (liabilities), net [1]	188.5	0.3	(117.0)	2.4	74.2
Total working capital per balance sheet	380.3	(4.2)	(110.2)	**60.8** *	326.7

1 Current and non-current
2 Net of defined benefit pension plan assets
* Please refer to working capital changes in Cash Flow table on page 15

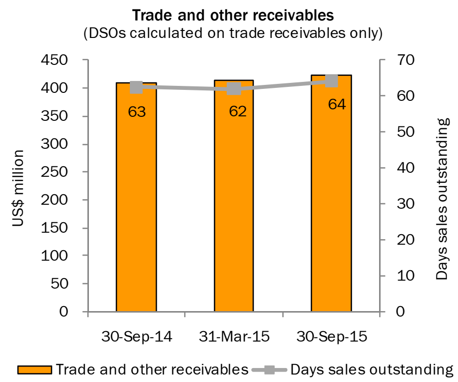
Inventories increased by US$7.3 million, from US$222.0 million as of 31 March 2015 to US$229.3 million as of 30 September 2015, largely due to the build-up of inventory as we regionalised production with the continued expansion of our manufacturing footprint.

Days inventory on hand ("DIOs") also increased slightly to 59 days as of 30 September 2015 from 57 days as of 30 September 2014 for the reason mentioned above.



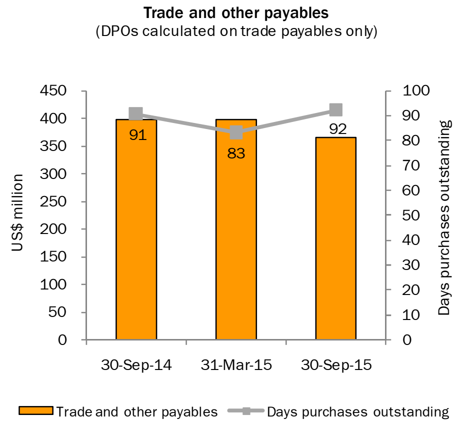
Trade and other receivables increased by US$8.5 million in the first half of FY2015/16, from US$414.8 million as of 31 March 2015 to US$423.3 million as of 30 September 2015. Trade receivables decreased, due to seasonal effects, however this was more than offset by increased prepayments for raw materials and maintenance services renewal and a temporary increase in VAT receivables.

Days sales outstanding ("DSOs") increased slightly to 64 days as of 30 September 2015 from 63 days as of 30 September 2014. The Group's receivables are of high quality. Amounts overdue more than 30 days amounted to approximately 1.9 % of gross trade receivables as of 30 September 2015 (1.1% as of 31 March 2015).



Trade and other payables were US$364.9 million as of 30 September 2015, a decrease of US$33.2 million from US$398.1 million as of 31 March 2015. This was mainly caused by payment of the prior year incentive compensation award accrued as of 31 March 2015.

Days purchases outstanding ("DPOs") increased slightly to 92 days as of 30 September 2015 compared to 91 days as of 30 September 2014.



Provision obligations and other liabilities decreased by US$2.7 million to US$53.9 million as of 30 September 2015 compared to US$56.6 million as of 31 March 2015 mainly due to settlement of previously accrued warranty claims. See Note 11 to the accounts for further details.

Other financial assets / (liabilities), net, decreased by US$114.3 million from a net financial asset of US$188.5 million as of 31 March 2015 to a net financial asset of US$74.2 million as of 30 September 2015.

- Fair value gains on foreign currency forward contracts and cross-currency interest rate swaps decreased in value by US$85.1 million, primarily due to the rising value of the US Dollar and consumption of contracts to sell the Euro related to export sales.

- Fair value losses on commodity swap contracts increased by US$29.1 million, due to falling copper and silver prices.

	Spot rates as of 30 Sep 2015	Spot rates as of 31 Mar 2015	Strengthen /(weaken)
USD per EUR	1.12	1.08	(4%)
RMB per USD	6.37	6.14	(4%)
HUF per EUR	313.34	299.25	(4%)
MXN per USD	17.02	15.26	(10%)
USD per metric ton of copper	5,093	6,051	(16%)
USD per ounce of silver	14.65	16.60	(12%)

Further details of the Group's hedging activities can be found in the Financial Management and Treasury Policy section on page 19 and in Note 6 to the accounts.

CASH FLOW

US$ million	First half of FY2015/16	First half of FY2014/15	Change
Operating profit	114.9	125.0	(10.1)
Depreciation and amortisation	48.3	46.8	1.5
EBITDA	163.2	171.8	(8.6)
Other non-cash items in profit before taxes	(2.4)	1.4	(3.8)
Working capital changes *	(60.8)	(14.6)	(46.2)
Interest paid	(1.7)	(0.8)	(0.9)
Income taxes paid	(20.6)	(19.6)	(1.0)
Net cash generated from operating activities	77.7	138.2	(60.5)
Capital expenditure, net of subsidies	(77.7)	(58.7)	(19.0)
Proceeds from disposal of fixed assets	15.1	0.3	14.8
Capitalisation of engineering development costs	(2.5)	(3.8)	1.3
Interest received	4.0	7.4	(3.4)
Free cash flow from operations	**16.6**	**83.4**	**(66.8)**
Acquisition	(2.0)	(9.2)	7.2
Other investing activities	(42.8)	0.8	(43.6)
Dividends paid	(37.8)	(38.8)	1.0
Purchase of shares held for incentive share schemes	(21.6)	(31.1)	9.5
Purchase of shares for cancellation of issued capital	-	(18.2)	18.2
Total cash flow (excluding changes in borrowings and currency effects)	(87.6)	(13.1)	(74.5)
Net repayment of borrowings	(9.1)	(3.2)	(5.9)
Proceeds from issuance of convertible bonds, net of transaction costs	-	197.3	(197.3)
Net movement in cash, excluding currency effects	(96.7)	181.0	(277.7)
Exchange gains / (losses) on cash	1.1	(15.0)	16.1
Net movement in cash	**(95.6)**	**166.0**	**(261.6)**

* Please refer to working capital table on page 13

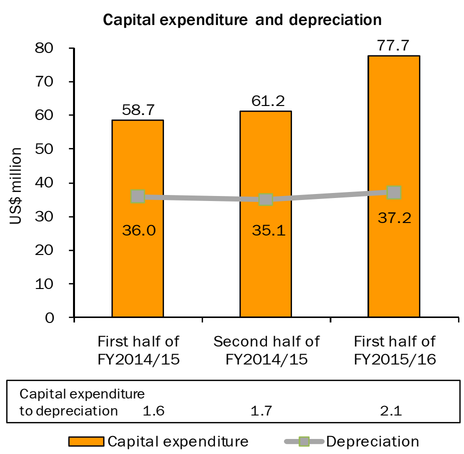
The Group generated US$16.6 million free cash flow from operations in the first half of FY2015/16, a decrease of US$66.8 million compared to US$83.4 million in the first half of FY2014/15. This movement in operating cash flows includes the following:

- **Working capital**, explained in the previous section, required an additional investment of US$60.8 million in the first half of FY2015/16, compared to US$14.6 million in working capital requirements in the first half of FY2014/15. Trade and other receivables required additional working capital, as sales to automotive customers increased as a proportion of total Group sales; these customers typically have longer credit terms than IPG's customers. Also prepayments for services and for raw materials increased, as the Group developed localised supply chains in Europe and America. Accrued incentives for the first half of FY2015/16 were lower than for the same period last year in line with operating profit. The Group expects some of the cash tied up in working capital to be released in the second half of the year as part of the normal operating cycle.

- **Income taxes:** In the first half of FY2015/16, the Group paid income taxes of US$20.6 million, an increase of US$1.0 million from US$19.6 million paid in the same period last year.

- **Capital expenditure** amounted to US$77.7 million in the first half of FY2015/16. The Group is focusing on enhancing the level of automation in production processes to mitigate labour cost increases. Additionally, the Group continues to invest in new product launches, long-term technology / testing development, and on-going replacement of assets.

- **Proceeds from disposal of fixed assets:** In the first half of FY2015/16, proceeds from disposals of fixed assets amounted to US$15.1 million largely due to disposals of real estate as compared to US$0.3 million in the first half of FY2014/15.



The net movement in cash includes the following:

- **Acquisition:** On 27 October 2015, Johnson Electric acquired the Stackpole International group of companies. In the first half of FY2015/16, cash outlays in relation to this acquisition amounted to US$2.0 million. In the first half of FY2014/15, the Group paid US$9.2 million to insource a sales agency in the UK.

- **Other investing activities:** In the first half of FY2015/16, the Group utilised US$42.8 million, primarily for the purchase of marketable bonds to improve interest income. In the first half of FY2014/15 investing activities amounted to a net receipt of US$0.8 million, mainly from deposits maturing.

- **Share purchases, dividends and convertible bonds** are discussed in the Financial Management and Treasury Policy Section in the following pages.

FINANCIAL MANAGEMENT AND TREASURY POLICY

Financial risk faced by the Group is managed by the Group's Treasury department, based at the corporate headquarters in Hong Kong. Policies are established by senior management and approved by the Board of Directors.

Credit Rating

Johnson Electric subscribes to both Moody's Investors Service and Standard & Poor's (S&P) Ratings Services for independent long-term credit ratings. As of 30 September 2015, the Group maintained investment grade ratings from both agencies. These ratings represent the Group's solid market position, stable profitability and minimal financial leverage.

	Rating	Outlook	Grade
Moody's Investors Service	Baa1	Stable	Investment
Standard & Poor's	BBB	Stable	Investment

Liquidity

Management believes the combination of cash on hand, available credit lines, access to the capital markets and expected future operating cash flows is sufficient to satisfy the Group's cash needs for the current and planned level of operations for the foreseeable future.

Net Cash and Credit lines

US$ million	30 Sep 2015	31 Mar 2015	Change
Cash	677.6	773.2	(95.6)
Borrowings	(86.7)	(94.0)	7.3
Convertible bonds	(199.9)	(197.3)	(2.6)
Net cash	391.0	481.9	(90.9)
Available unutilised credit lines	595.6	577.6	18.0

Cash decreased by US$95.6 million to US$677.6 million as of 30 September 2015 as explained on pages 13 to 16.

The Group kept a Euro cash reserve for foreign currency exchange contract settlement, designated as a fair value hedge. Additionally, the Group switched cash from the Chinese Renminbi to the US Dollar due to expectations of rising US Dollar interest rates.

US$ million	30 Sep 2015	31 Mar 2015
USD	441.6	382.0
EUR	118.4	59.7
RMB	88.0	269.8
Others	29.6	61.7
Total	677.6	773.2

Borrowings decreased by US$7.3 million (net repayment of US$9.1 million in the first half of FY2015/16 and unrealised exchange loss of US$1.8 million) to US$86.7 million as of 30 September 2015, compared to US$94.0 million as of 31 March 2015. Further information on borrowings can be found in Note 9 to the accounts.

Convertible bonds: In April 2014, the Company issued convertible bonds, in an aggregate principal amount of US$200 million with a cash coupon rate of 1% per annum, maturing in April 2021 with an April 2019 put option for the bondholders. The bonds have an effective annual yield of 3.57%. The carrying value of the convertible bonds as of 30 September 2015 amounted to US$199.9 million. Further information on the convertible bonds can be found in Note 10 to the accounts.

Gearing:

- The Group's total debt to capital ratio remained unchanged at 13% as of 30 September 2015 and 31 March 2015; and
- Interest coverage (defined as EBIT divided by gross interest expense; both annualised using the last twelve months results) was 27 times for the year ended 30 September 2015, compared to 29 times for the year ended 31 March 2015.
- Free cash flow from operations as a percentage of total debt decreased to 31% as of 30 September 2015, compared to 53% as of 31 March 2015. This was mainly due to decrease in free cash flow explained earlier.
- As of 30 September 2015, the Group was in compliance with all covenants on its borrowings and expects to remain compliant in future periods.

Net cash (cash less total debt) decreased by US$90.9 million to US$391.0 million as of 30 September 2015, from US$481.9 million as of 31 March 2015 as a result of the movements in cash, borrowings and convertible bonds.

Available credit lines – The Group had US$626 million in available credit lines as of 30 September 2015 as follows:

- US$215 million committed and unutilised revolving credit facilities, provided by certain of its principal bankers, with the following expiry dates:
  - US$20 million – 5 November 2015
  - US$30 million – 10 December 2015
  - US$35 million – 28 February 2017
  - US$30 million – 12 April 2017
  - US$20 million – 13 September 2018
  - US$20 million – 24 September 2018
  - US$30 million – 25 September 2018
  - US$30 million – 30 September 2018
- US$320 million uncommitted and unutilised revolving credit facilities, provided by its principal bankers; and
- US$91 million uncommitted and unutilised trade receivable financing lines.

Shares and Dividends

Dividends: The Board has declared an interim dividend of 15 HK Cents per share for FY2015/16, an increase of 7% over the prior year amount (FY2014/15: 14 HK Cents per share) equivalent to US$16.6 million, to be paid in January 2016. The Company paid a final dividend of 34 HK Cents per share for FY2014/15 (FY2013/14: 34 HK Cents per share) equivalent to US$37.8 million in July 2015.

Purchase of shares for incentive share schemes: To foster a focus on long-term sustainable growth, JEHL maintains long-term incentive share schemes, further discussed on page 25. To support this, in the first half of FY2015/16, the Company purchased 6.3 million shares for US$21.6 million including brokerage fees (first half of FY2014/15, purchased 8.5 million shares for US$31.1 million) for use in granting shares to eligible Directors and employees under the incentive share schemes.

Purchase of shares for cancellation of issued capital: There were no purchases of shares for cancellation in the first half of FY2015/16. In the first half of FY2014/15, purchases were 8.2 million shares at a total cost of US$31.5 million including brokerage and cancellation fees (4.6 million of these shares had been cancelled at 30 September 2014 at a cost of $18.2 million and the remaining 3.6 million shares were cancelled in October 2014).

Foreign Exchange and Raw Material Commodity Price Risk

The Group is exposed to foreign exchange risk and hedges part of this risk through forward contracts. These forward contracts have varying maturities ranging from 1 to 75 months as of 30 September 2015, to match the underlying cash flows of the business and included:

- Forward sales of the Euro ("EUR"), the Japanese Yen ("JPY") and the British Pound ("GBP") to hedge export sales denominated in these currencies;

- Forward purchases of the Chinese Renminbi ("RMB"), the Hungarian Forint ("HUF"), the Swiss Franc ("CHF"), the Mexican Peso ("MXN"), the Polish Zloty ("PLN"), the Indian Rupee ("INR") and the Israeli Shekel ("ILS") to hedge operating costs, primarily production conversion costs, denominated in these currencies; and

The Group's sales are primarily denominated in the currencies shown in the table below:

% of sales	First half of FY2015/16	First half of FY2014/15
USD	46%	45%
EUR	33%	35%
RMB	19%	17%
Others	2%	3%

- Forward purchases of the Canadian Dollar ("CAD") to hedge the consideration for acquisition of the Stackpole International group of companies. The contracts were consumed in October 2015 as part of the acquisition process.

The Group also hedges its net investment in its European operations to protect itself from exposure to future changes in currency exchange rates.

The Group is exposed to commodity price risk, mainly from fluctuations in steel, copper, silver and aluminium prices. Price risk due to steel is reduced through fixed price contracts up to 3 months forward with the Group's suppliers. Price risk due to copper, silver and aluminium is reduced by hedging through appropriate financial instruments that have varying maturities ranging from 1 to 70 months as of 30 September 2015. The Group also manages copper and silver prices by way of incorporating appropriate clauses in certain customer contracts to pass increases / decreases in raw material costs onto these customers.

In order to avoid the potential default by any of its counterparties on its forward contracts, the Group deals only with major financial institutions (e.g. the Group's principal bankers) with strong investment grade credit ratings that the Group believes will satisfy their obligations under the contracts.

Further information about forward foreign currency exchange contracts and raw material commodity contracts can be found in Note 6 to the accounts.

CORPORATE GOVERNANCE

Johnson Electric Holdings Limited ("Company") 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 30 September 2015, the composition of the Board of Directors ("Board") remained the same as set out in the Corporate Governance Report in the Company's Annual Report 2015.

During the six months ended 30 September 2015, the Company continued to abide by the corporate governance practices set out in the Corporate Governance Report in the Company's Annual Report 2015.

CORPORATE GOVERNANCE CODE

During the six months ended 30 September 2015, the Company complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("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 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 that Dr. Wang should hold both offices. The Board believes that it is able to effectively 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 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 are 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 since their last election shall retire and be 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) also states that the director holding office as 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.

Code Provision A.6.7

Code A.6.7 provides, inter alia, that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Ms. Yik-Chun Koo Wang, Mr. Peter Kin-Chung Wang, Mr. Peter Stuart Allenby Edwards, Mr. Patrick Blackwell Paul, Mr. Joseph Chi-Kwong Yam and Mr. Christopher Dale Pratt were unable to attend the annual general meeting of the Company held on 9 July 2015 ("AGM") due to overseas commitments or other prior business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company 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 30 September 2015.

Employees who are likely to be in possession of unpublished inside information of the Company and its subsidiaries ("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 results for the six months ended 30 September 2015 has been reviewed by the Audit Committee and the Company's auditor, PricewaterhouseCoopers.

DISCLOSURE OF INTERESTS

DIRECTORS

As of 30 September 2015, the interests of each Director and Chief Executive of the Company in the shares of the Company or any of the Company's associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO were as follows:

	Shares of HK$0.05 each of the Company		
Name	Personal Interests	Other Interests	
Patrick Shui-Chung Wang	521,500	-	(Note 1)
Winnie Wing-Yee Wang	165,500	-	(Note 2)
Austin Jesse Wang	90,375	-	(Note 3)
Yik-Chun Koo Wang	-	550,574,720	(Notes 4 & 5)
Peter Kin-Chung Wang	-	144,250	(Note 6)
Peter Stuart Allenby Edwards	-	40,250	(Note 7)
Patrick Blackwell Paul	32,750	-	
Michael John Enright	15,250	-	
Joseph Chi-Kwong Yam	11,750	-	
Christopher Dale Pratt	56,000	-	

Notes:
1. The interest comprises 521,500 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.
2. The interest comprises 165,500 underlying shares in respect of the awarded shares granted, which remained unvested, under the Johnson Electric Restricted and Performance Stock Unit Plan.
3. The interest comprises 90,375 underlying shares in respect of the awarded shares granted, which remained unvested, under the Long-Term Incentive Share Scheme.
4. These shares were held, directly or indirectly, by the trustees of various trusts associated with the Wang family.
5. Duplications of shareholdings occurred among and between the parties shown below under Substantial Shareholders.
6. These shares were held beneficially by Peter Kin-Chung Wang's spouse.
7. These shares were held under a trust of which Peter Stuart Allenby Edwards was one of the beneficiaries.

Save as disclosed herein, as of 30 September 2015, the register maintained by the Company pursuant to Section 352 of the SFO recorded no other interests or short positions of the Directors and Chief Executive in any shares of the Company or its associated corporations (within the meaning of Part XV of the SFO).

At no time during the period, the Directors and Chief Executive (including their spouses and children under 18 years of age) had any interests in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.

SUBSTANTIAL SHAREHOLDERS

As of 30 September 2015, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital:

Name of shareholder	Capacity	Numbers of shares held	Approximate % of shareholding
Yik-Chun Koo Wang	Beneficiary of family trusts	550,574,720 (Notes 1 & 2)	62.52
Ansbacher (Bahamas) Limited	Trustee	221,760,000 (Note 1)	25.18
HSBC International Trustee Limited	Trustee	190,201,822 (Note 1)	21.60
Great Sound Global Limited	Interest of controlled corporation	188,585,840 (Note 3)	21.41
Winibest Company Limited	Beneficial owner	188,585,840 (Note 4)	21.41
Federal Trust Company Limited	Trustee	140,228,880 (Note 1)	15.92
Schroders Plc	Investment manager	70,046,689	7.95
Ceress International Investment (PTC) Corporation	Trustee	55,753,520 (Note 5)	6.33
Merriland Overseas Limited	Interest of controlled corporation	52,985,760 (Note 6)	6.01

Notes:

1. The shares in which Ansbacher (Bahamas) Limited and Federal Trust Company Limited were interested and 188,585,840 of the shares in which HSBC International Trustee Limited was interested were held, directly or indirectly, by them as the trustees of various trusts associated with the Wang family and were included in the shares in which Ms. Yik-Chun Koo Wang was interested as referred to above under Directors' Interests of Disclosure of Interests.
2. The shares in which Ms. Yik-Chun Koo Wang was interested as referred to above formed part of the shares referred to in Note 1.
3. The interests of Great Sound Global Limited in the Company formed part of the interests in the Company held by HSBC International Trustee Limited.
4. The interests of Winibest Company Limited in the Company were duplicated by the interests in the Company held by Great Sound Global Limited.
5. The interests of Ceress International Investment (PTC) Corporation in the Company formed part of the interests in the Company held by Federal Trust Company Limited.
6. The interests of Merriland Overseas Limited in the Company formed part of the interests in the Company held by Federal Trust Company Limited.

Save as disclosed herein, as of 30 September 2015, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in the shares of the Company.

INCENTIVE SHARE SCHEMES

The Long-Term Incentive Share Scheme ("Share Scheme") was approved by the shareholders on 24 August 2009 and was further amended and approved by the shareholders on 20 July 2011. The Board may grant time-vested units (Restricted Stock Units) and performance-vested units (Performance Stock Units) or cash payment in lieu of shares to such eligible employees and directors as the Board may select at its absolute discretion under the Share Scheme. A new share scheme, the Johnson Electric Restricted and Performance Stock Unit Plan ("Stock Unit Plan") was approved by the shareholders on 9 July 2015 and no further grants of share awards under the Share Scheme could be made afterwards. Unvested share awards granted under the Share Scheme continue to be valid subject to the provisions of the Share Scheme.

The purpose of the Stock Unit Plan is to align management with ownership. The Stock Unit Plan helps to attract skilled and experienced personnel, incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group.

The following is a summary of the Stock Unit Plan:

1. Participants

The participants of the Stock Unit Plan are the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries and the employees of the Group who the Board considers, in its sole and absolute discretion, have contributed or will contribute significantly to the Group.

2. Awards

A contingent right to receive either shares of the Company or a cash payment, in either case is awarded pursuant to the Stock Unit Plan ("Awards").

3. Term

Subject to any early termination of the Stock Unit Plan in accordance with the Stock Unit Plan, the Stock Unit Plan shall be valid and effective for a term of 10 years commencing from the date of adoption of the Stock Unit Plan ("Term").

4. Eligibility

The Board may, at its discretion, invite directors and employees of the Group, who the Board considers, in its sole and absolute discretion, have contributed or will contribute to the Group, to participate in the Stock Unit Plan.

5. Administration

The Stock Unit Plan shall be subject to the administration of the Board. The Company may appoint professional trustee to assist with the administration and vesting of Awards granted.

6. Grant of Awards

The Board may, at any time during the Term, at its sole and absolute discretion, make an offer of the grant of an Award to any participant as the Board may in its sole and absolute discretion select, subject to the terms of the Stock Unit Plan.

Any offer of the grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the remuneration committee (excluding any member of the remuneration committee who is the proposed grantee of the grant in question) of the Company and all grants to connected persons shall be subject to compliance with the requirements of the Listing Rules.

7. Vesting of Awards

Subject to the terms of the Stock Unit Plan, the Board may determine from time to time such vesting conditions or vesting periods for an Award to be vested. For the purpose of satisfying the grant of Awards, the Board shall determine whether the Company shall, at its sole and absolute discretion, (a) allot and issue new shares (by using the general mandate to issue and allot shares for grantees who are not connected persons); and/or (b) direct and procure the trustee of the Stock Unit Plan appointed by the Company to acquire through on-market purchases of shares; and/or (c) pay or procure the payment of a cash payment.

8. Maximum Number of Shares to be Granted

The total number of shares that may underlie the Awards granted pursuant to the Stock Unit Plan and any other equity-based incentive awards granted under any other equity-based incentive schemes of the Company, shall not exceed 10% of the aggregate number of shares of the Company in issue as of the date of adoption of the Stock Unit Plan ("Scheme Mandate Limit").

The Scheme Mandate Limit may be renewed subject to prior approval of the shareholders of the Company, but in any event, the total number of shares that may underlie the Awards granted following the new approval date under the limit as renewed must not exceed 10% of the aggregate number of shares of the Company in issue as of the new approval date. Shares underlying the Awards granted pursuant to the Stock Unit Plan (including those outstanding, cancelled or vested Awards) prior to the new approval date will not be counted for the purpose of determining the maximum aggregate number of shares that may underlie the Awards granted following the new approval date under the limit as renewed. For the avoidance of doubt, shares issued prior to the new approval date pursuant to the vesting of Awards granted pursuant to the

Stock Unit Plan will be counted for the purpose of determining the aggregate number of shares in issue as of the new approval date.

9. **Dividends and Voting Rights**

The Awards do not carry any right to vote at general meetings of the Company. A grantee shall not be entitled to any dividends or distributions in respect of any shares underlying the Awards granted until such shares have been allotted and issued or transferred (as the case may be) to the grantee.

10. **Transferability**

Subject to the terms of the Stock Unit Plan, an Award shall be personal to the grantee and shall not be assignable or transferrable. A grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interests in favour of any third party over or in relation to any Award.

11. **Alteration**

The Board may alter any of the terms of the Stock Unit Plan at any time provided that any changes to the authority of the Board in relation to any alteration of the terms of the Stock Unit Plan shall not be made without the prior approval of shareholders of the Company in general meeting or any alterations to the terms and conditions of the Stock Unit Plan which are of a material nature or any changes to the terms of the Awards granted must be approved by the shareholders of the Company in general meeting, except where the alterations or changes take effect automatically under the existing terms of the Stock Unit Plan.

12. **Termination**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the Stock Unit Plan and in such event, no further Awards may be granted but in all other respects the terms of the Stock Unit Plan shall remain in full force and effect in respect of Awards which are granted during the Term and which remain unvested immediately prior to the termination.

During the period ended 30 September 2015, the Company purchased 6,345,000 shares of the Company at a cost of HK$166.73 million in connection with the Share Scheme and the Stock Unit Plan for eligible employees and directors. The highest and the lowest purchase price paid per share were HK$27.15 and HK$23.50, respectively.

Movements in the number of unvested shares granted as of the date of this report under both the Share Scheme and the Stock Unit Plan on a combined basis are as follows:

	Number of unvested shares granted (thousands)		
	Restricted Stock Units	Performance Stock Units	Total
Unvested shares granted, as of 31 March 2015	4,518	5,530	10,048
Shares granted to Directors and employees during the period	2,152	2,312	4,464
Shares vested to Directors and employees during the period	(1,266)	(1,253)	(2,519)
Forfeited during the period	(105)	(112)	(217)
Unvested shares granted, as of the date of this report	5,299	6,477	11,776

As of 30 September 2015, excluding any subsequent grants and forfeitures, the number of unvested shares under both the Share Scheme and the Stock Unit Plan on a combined basis are as follows:

	Number of unvested shares granted (thousands)		
Vesting period	Restricted Stock Units	Performance Stock Units	Total
FY2016/17	1,336	2,030	3,366
FY2017/18	1,400	2,153	3,553
FY2018/19	2,238	2,294	4,532
FY2019/20	325	-	325
Total unvested shares, as of the date of this report	5,299	6,477	11,776

Apart from the Share Scheme and the Stock Unit Plan mentioned above, there were no other arrangements to which the Company or its subsidiaries was a party to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SHARES

Save as disclosed in Note 12 to the accounts, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2015.

INTERIM DIVIDEND

The Board has declared an interim dividend of 15 HK Cents equivalent to 1.92 US Cents per share (2014: 14 HK Cents or 1.79 US Cents) payable on 6 January 2016 (Wednesday) to shareholders whose names appear on the Register of Shareholders of the Company on 28 December 2015 (Monday).

CLOSING REGISTER OF SHAREHOLDERS

The Register of Shareholders of the Company will be closed, for the purpose of determining shareholders' entitlement to the interim dividend, from 23 December 2015 (Wednesday) to 28 December 2015 (Monday) inclusive, during which 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 22 December 2015 (Tuesday). Shares of the Company will be traded ex-dividend as from 21 December 2015 (Monday).

CONSOLIDATED BALANCE SHEET

As of 30 September 2015

	Note	Unaudited 30 September 2015 US$'000	Audited 31 March 2015 US$'000
Assets			
Non-current assets			
Property, plant and equipment	3	**438,417**	410,578
Investment property	4	**85,722**	82,035
Intangible assets	5	**585,370**	595,578
Investment in associate		**3,076**	2,720
Other financial assets	6	**171,906**	215,182
Defined benefit pension plan assets	11	**6,786**	7,156
Deferred income tax assets		**45,250**	43,500
Other non-current assets		**18,701**	9,679
		1,355,228	1,366,428
Current assets			
Inventories		**229,348**	222,029
Trade and other receivables	7	**423,306**	414,893
Non-current assets held for sale		**-**	8,003
Other financial assets	6	**44,450**	60,072
Financial assets at fair value through profit and loss		**42,941**	-
Income tax recoverable		**1,362**	3,386
Cash and deposits		**677,594**	773,172
		1,419,001	1,481,555
Current liabilities			
Trade payables	8	**197,534**	206,161
Other payables and deferred income		**149,317**	175,319
Current income tax liabilities		**31,255**	37,244
Other financial liabilities	6	**48,977**	14,531
Borrowings	9	**42,275**	65,816
Provision obligations and other liabilities	11	**20,755**	21,713
		490,113	520,784
Net current assets		**928,888**	960,771
Total assets less current liabilities		**2,284,116**	2,327,199

	Note	Unaudited 30 September 2015 US$'000	Audited 31 March 2015 US$'000
Non-current liabilities			
Other payables and deferred income		**18,145**	16,642
Other financial liabilities	6	**93,094**	72,189
Borrowings	9	**44,382**	28,214
Convertible bonds	10	**199,867**	197,345
Deferred income tax liabilities		**52,021**	69,821
Provision obligations and other liabilities	11	**39,934**	42,076
		447,443	426,287
NET ASSETS		**1,836,673**	1,900,912
Equity			
Share capital			
Ordinary shares	12	**5,681**	5,681
Shares held for incentive share schemes	12	**(75,034)**	(61,082)
Reserves		**1,864,655**	1,917,719
		1,795,302	1,862,318
Non-controlling interests		**41,371**	38,594
TOTAL EQUITY		**1,836,673**	1,900,912

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2015

	Note	Unaudited Six months ended 30 September 2015 US$'000	 2014 US$'000
Sales	2	**1,022,370**	1,079,565
Cost of goods sold		**(740,050)**	(753,546)
Gross profit		**282,320**	326,019
Other income and gains, net	13	**14,045**	7,491
Selling and administrative expenses	14	**(181,422)**	(208,533)
Operating profit		**114,943**	124,977
Finance income	15	**3,990**	7,426
Finance costs	15	**(4,256)**	(4,224)
Share of profit of associate		**466**	435
Profit before income tax		**115,143**	128,614
Income tax expense	17	**(13,039)**	(15,012)
Profit for the period		**102,104**	113,602
Profit attributable to non-controlling interests		**(4,264)**	(4,285)
Profit attributable to shareholders		**97,840**	109,317
Basic earnings per share for profit attributable to the shareholders during the period (expressed in US Cents per share)	18	**11.35**	12.36
Diluted earnings per share for profit attributable to the shareholders during the period (expressed in US Cents per share)	18	**11.12**	12.12

The Board has declared an interim dividend of 15 HK Cents (1.92 US Cents) per share (first half of FY2014/15: 14 HK Cents or 1.79 US Cents) equivalent to US$16.6 million (first half of FY2014/15: US$15.7 million), details are set out in Note 19.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Note	Unaudited Six months ended 30 September 2015 US$'000	2014 US$'000
Profit for the period		**102,104**	113,602
Other comprehensive income / (expenses)			
Items that will not be recycled to profit and loss:			
Defined benefit plans			
– remeasurements	11	**562**	(10,807)
– deferred income tax effect		**448**	1,112
Total items that will not be recycled to profit and loss		**1,010**	(9,695)
Items that will be recycled to profit and loss:			
Hedging instruments			
– raw material commodity contracts			
– fair value losses, net		**(38,392)**	(1,303)
– transferred to inventory and subsequently recognised in income statement		**8,225**	3,820
– deferred income tax effect		**4,978**	(415)
– forward foreign currency exchange contracts			
– fair value (losses) / gains, net		**(52,718)**	66,182
– transferred to income statement		**(24,618)**	(1,615)
– deferred income tax effect		**10,734**	(10,562)
– net investment hedge			
– fair value (losses) / gains, net		**(9,484)**	21,865
Currency translations of subsidiaries and associate		**(11,505)**	(54,229)
Total items that will be recycled to profit and loss		**(112,780)**	23,743
Other comprehensive (expense) / income for the period, net of tax		**(111,770)**	14,048
Total comprehensive (expense) / income for the period, net of tax		**(9,666)**	127,650
Total comprehensive (expense) / income attributable to:			
Shareholders		**(12,443)**	122,958
Non-controlling interests			
Share of profits for the period		**4,264**	4,285
Currency translations		**(1,487)**	407
		(9,666)	127,650

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

		Unaudited								
		Attributable to shareholders of JEHL								
	Note	Share capital US$'000	Other reserves * US$'000	Exchange reserve US$'000	Share-based employee compensation reserve US$'000	Hedging reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As of 31 March 2015		(55,401)	(159,299)	169,473	13,926	114,837	1,778,782	1,862,318	38,594	1,900,912
Profit for the period		-	-	-	-	-	97,840	97,840	4,264	102,104
Other comprehensive income / (expenses):										
Hedging instruments										
– raw material commodity contracts										
– fair value losses, net		-	-	-	-	(38,392)	-	(38,392)	-	(38,392)
– transferred to inventory and subsequently recognised in income statement		-	-	-	-	8,225	-	8,225	-	8,225
– deferred income tax effect		-	-	-	-	4,978	-	4,978	-	4,978
– forward foreign currency exchange contracts										
– fair value losses, net		-	-	-	-	(52,718)	-	(52,718)	-	(52,718)
– transferred to income statement		-	-	-	-	(24,618)	-	(24,618)	-	(24,618)
– deferred income tax effect		-	-	-	-	10,734	-	10,734	-	10,734
– net investment hedge										
– fair value losses, net		-	-	(9,484)	-	-	-	(9,484)	-	(9,484)
Defined benefit plans										
– remeasurements	11	-	-	-	-	-	562	562	-	562
– deferred income tax effect		-	-	-	-	-	448	448	-	448
Investment property										
– revaluation surplus realised upon disposal		-	(108)	-	-	-	108	-	-	-
Currency translations of subsidiaries and associate		-	-	(10,321)	-	303	-	(10,018)	(1,487)	(11,505)
Total comprehensive income / (expenses) for the first half of FY2015/16		-	(108)	(19,805)	-	(91,488)	98,958	(12,443)	2,777	(9,666)
Transactions with shareholders:										
Appropriation of retained earnings to statutory reserve		-	295	-	-	-	(295)	-	-	-
Incentive share schemes										
– shares vested	12	7,621	(1,502)	-	(6,119)	-	-	-	-	-
– value of employee services	21	-	-	-	4,802	-	-	4,802	-	4,802
– purchase of shares	12	(21,573)	-	-	-	-	-	(21,573)	-	(21,573)
FY2014/15 final dividend paid		-	-	-	-	-	(37,802)	(37,802)	-	(37,802)
Total transactions with shareholders		(13,952)	(1,207)	-	(1,317)	-	(38,097)	(54,573)	-	(54,573)
As of 30 September 2015		**(69,353)** **	**(160,614)**	**149,668**	**12,609**	**23,349**	**1,839,643**	**1,795,302**	**41,371**	**1,836,673**

* Other reserves mainly represent contributed surplus, capital reserve, property revaluation reserve, equity component of convertible bonds (net of taxes), statutory reserve and goodwill on consolidation.

** The total of US$(69.4) million is comprised by share capital of US$5.7 million and shares held for incentive share schemes of US$(75.1) million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2014

		Unaudited								
		Attributable to shareholders of JEHL								
	Note	Share capital US$'000	Other reserves * US$'000	Exchange reserve US$'000	Share-based employee compensation reserve US$'000	Hedging reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As of 31 March 2014		15,505	(133,538)	219,855	10,470	(20,378)	1,640,385	1,732,299	34,019	1,766,318
Profit for the period		-	-	-	-	-	109,317	109,317	4,285	113,602
Other comprehensive income / (expenses):										
Hedging instruments										
– raw material commodity contracts										
– fair value losses, net		-	-	-	-	(1,303)	-	(1,303)	-	(1,303)
– transferred to inventory and subsequently recognised in income statement		-	-	-	-	3,820	-	3,820	-	3,820
– deferred income tax effect		-	-	-	-	(415)	-	(415)	-	(415)
– forward foreign currency exchange contracts										
– fair value gains, net		-	-	-	-	66,182	-	66,182	-	66,182
– transferred to income statement		-	-	-	-	(1,615)	-	(1,615)	-	(1,615)
– deferred income tax effect		-	-	-	-	(10,562)	-	(10,562)	-	(10,562)
– net investment hedge										
– fair value gains, net		-	-	14,209	-	7,656	-	21,865	-	21,865
Defined benefit plans										
– remeasurements	11	-	-	-	-	-	(10,807)	(10,807)	-	(10,807)
– deferred income tax effect		-	-	-	-	-	1,112	1,112	-	1,112
Investment property										
– revaluation surplus realised upon disposal		-	(14)	-	-	-	14	-	-	-
Currency translations of subsidiaries and associate		-	-	(54,580)	-	(56)	-	(54,636)	407	(54,229)
Total comprehensive income / (expenses) for the first half of FY2014/15		-	(14)	(40,371)	-	63,707	99,636	122,958	4,692	127,650
Transactions with shareholders:										
Appropriation of retained earnings to statutory reserve		-	233	-	-	-	(233)	-	-	-
Convertible bonds										
– equity component of convertible bonds issued		-	4,823	-	-	-	-	4,823	-	4,823
– deferred income tax effect		-	(3,868)	-	-	-	-	(3,868)	-	(3,868)
Cancellation of issued capital		(24,011)	(7,542)	-	-	-	-	(31,553)	-	(31,553)
Incentive share schemes										
– shares vested		3,852	-	-	(3,852)	-	-	-	-	-
– value of employee services	21	-	-	-	3,561	-	-	3,561	-	3,561
– purchase of shares		(31,080)	-	-	-	-	-	(31,080)	-	(31,080)
FY2013/14 final dividend paid		-	-	-	-	-	(38,765)	(38,765)	-	(38,765)
Total transactions with shareholders		(51,239)	(6,354)	-	(291)	-	(38,998)	(96,882)	-	(96,882)
As of 30 September 2014		(35,734)	(139,906)	179,484	10,179	43,329	1,701,023	1,758,375	38,711	1,797,086

* Other reserves mainly represent contributed surplus, capital reserve, property revaluation reserve, equity component of convertible bonds (net of taxes), statutory reserve and goodwill on consolidation.

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2015

	Note	Unaudited Six months ended 30 September 2015 US$'000	2014 US$'000
Cash flows from operating activities			
Earnings before interest, taxes, depreciation and amortisation	21	**163,256**	171,824
Other non-cash items and adjustments	21	**(2,446)**	1,390
Change in working capital	21	**(60,774)**	(14,633)
Cash generated from operations	21	**100,036**	158,581
Interest paid		**(1,736)**	(790)
Income taxes paid		**(20,637)**	(19,595)
Net cash generated from operating activities		**77,663**	138,196
Investing activities			
Purchase of property, plant and equipment and capitalised expenditure of investment property, net of subsidies		**(77,695)**	(58,714)
Proceeds from disposal of property, plant and equipment and investment property		**15,081**	313
Capitalisation of engineering development costs	5	**(2,462)**	(3,839)
Interest received		**3,990**	7,426
		(61,086)	(54,814)
Business combination *		**(1,987)**	(9,203)
Acquisition of non-controlling interests		**-**	(242)
Purchase of financial assets at fair value through profit and loss		**(42,983)**	-
Proceeds from sale of financial assets at fair value through profit and loss		**140**	1,094
Net cash used in investing activities		**(105,916)**	(63,165)

* On 27 October 2015, the Group acquired the Stackpole International group of companies. In the first half of FY2015/16, cash outlays in relation to this acquisition amounted to US$2.0 million.

In the first half of FY2014/15, the Group paid US$9.2 million to insource a sales agency in the UK.

	Note	Unaudited Six months ended 30 September 2015 US$'000	2014 US$'000
Financing activities			
Purchase of shares for cancellation of issued capital	12	-	(18,239)
Purchase of shares held for incentive share schemes	12	**(21,573)**	(31,080)
Proceeds from borrowings		-	6,981
Repayments of borrowings		**(9,079)**	(10,170)
Proceeds from issuance of convertible bonds, net of transaction costs		-	197,300
Dividends paid to shareholders		**(37,802)**	(38,765)
Net cash (used in) / generated from financing activities		**(68,454)**	106,027
Net (decrease) / increase in cash and cash equivalents		**(96,707)**	181,058
Cash and cash equivalents at beginning of the period		**773,172**	643,986
Currency translations on cash and cash equivalents		**1,129**	(15,030)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**677,594**	810,014

NOTES TO THE INTERIM ACCOUNTS

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

The principal operations of Johnson Electric Holdings Limited ("JEHL") and its subsidiaries (together, "the Group") are the manufacture and sale of motion systems. The Group has manufacturing plants and sales operations throughout the world.

JEHL, the parent holding company, is a limited liability company incorporated in Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The shares of JEHL are listed on The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated interim financial information is presented in US Dollars, unless otherwise stated and has been approved for issue by the Board of Directors on 4 November 2015. It has been 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.

1.2 Basis of preparation

The accounting policies and methods of computation used in the preparation of this condensed interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2015, except that the Group adopted all new standards, amendments to standards and interpretations of Hong Kong Financial Reporting Standards ("HKFRS") effective for the accounting period commencing 1 April 2015, which are disclosed in Note 27.

The preparation of interim financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. In preparing this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2015.

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Cont'd)*

1.3 Exchange rates

The following table summarises the exchange rates which are frequently used on the consolidated financial statements.

1 unit of foreign currency to USD		Closing rate 30 September 2015	Closing rate 31 March 2015	Average rate for the period Six months ended 30 September 2015	Average rate for the period Six months ended 30 September 2014
Canadian Dollar	CAD	**0.74500**	0.78900	**0.78920**	0.91820
Swiss Franc	CHF	**1.02900**	1.03400	**1.04970**	1.10970
Euro	EUR	**1.12490**	1.08330	**1.10960**	1.34890
British Pound	GBP	**1.51510**	1.48100	**1.54140**	1.67700
Hungarian Forint	HUF	**0.00359**	0.00362	**0.00359**	0.00436
Israeli Shekel	ILS	**0.25454**	0.25176	**0.25926**	0.28660
Indian Rupee	INR	**0.01515**	0.01597	**0.01558**	0.01662
Japanese Yen	JPY	**0.00835**	0.00833	**0.00821**	0.00971
Mexican Peso	MXN	**0.05874**	0.06552	**0.06308**	0.07660
Polish Zloty	PLN	**0.26550**	0.26490	**0.26810**	0.32350
Chinese Renminbi	RMB	**0.15708**	0.16286	**0.16159**	0.16134
Serbian Dinar	RSD	**0.00940**	0.00900	**0.00920**	0.01160

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 has one operating segment.

The Group's management assesses the performance of its operating segment based on the measure of operating profit, excluding items which are not directly related to the segment performance. These include non-operating income / (expenses) such as interest income and expense, rental income, fair value gains / (losses) on investment property and gains / (losses) on disposals of fixed assets and investments.

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

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Operating profit presented to management	**100,898**	117,486
Other income and gains, net (Note 13)	**14,045**	7,491
Operating profit per consolidated income statement	**114,943**	124,977

Sales from external customers by business unit was as follows:

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Automotive Products Group ("APG")	**703,880**	736,179
Industry Products Group ("IPG")	**318,490**	343,386
	1,022,370	1,079,565

The Powertrain Cooling business (included in APG) is primarily engaged in the manufacture and sale of cooling fan modules for OEM and Tier 1 customers. Sales for this business unit accounted for 25% of the total sales of the Group for the first half of FY2015/16 (first half of FY2014/15: 25%).

2. SEGMENT INFORMATION *(Cont'd)*

Sales by geography

Sales to external customers by region of destination was as follows:

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Europe *	**418,109**	462,018
People's Republic of China ("PRC")	**268,532**	288,119
North America	**230,500**	221,218
Asia (excluding PRC)	**89,176**	89,119
South America	**13,112**	16,873
Others	**2,941**	2,218
	1,022,370	1,079,565

* Included in Europe are sales to external customers in Germany of US$109.5 million for the first half of FY2015/16 (first half of FY2014/15: US$131.0 million).

No single external customer contributed 10% or more of the total Group sales.

Segment assets

For the first half of FY2015/16, the additions to non-current assets (other than deferred tax assets, financial assets at fair value through profit and loss, other financial assets and defined benefit pension plan assets) were US$83.6 million (first half of FY2014/15: US$70.4 million).

As of 30 September 2015, excluding goodwill, the total of non-current assets (other than deferred tax assets, financial assets at fair value through profit and loss, other financial assets and defined benefit pension plan assets) located in HK/PRC was US$353.9 million (31 March 2015: US$364.7 million) and the total of these non-current assets located in other countries was US$347.1 million (31 March 2015: US$303.8 million).

3. PROPERTY, PLANT AND EQUIPMENT

	Freehold land, leasehold land and buildings US$'000	Machinery and equipment US$'000	Assets under construction US$'000	Moulds and tools US$'000	Other assets * US$'000	Total US$'000
As of 31 March 2015	88,231	156,464	64,416	57,216	44,251	410,578
Currency translations	158	(3,293)	(215)	(959)	(339)	(4,648)
Additions	942	11,506	52,609	5,077	1,941	72,075
Transfer	5,709	24,985	(41,113)	7,777	2,642	-
Disposals	(212)	(77)	-	(33)	(69)	(391)
Provision for impairment (Note 16 & 21)	-	(37)	-	(1,304)	(150)	(1,491)
Depreciation (Note 16)	(5,655)	(17,159)	-	(10,214)	(4,678)	(37,706)
As of 30 September 2015	**89,173**	**172,389**	**75,697**	**57,560**	**43,598**	**438,417**
As of 31 March 2014	105,064	132,094	51,871	58,409	44,788	392,226
Currency translations	(2,991)	(174)	(1,807)	(284)	(95)	(5,351)
Additions	725	10,145	36,225	5,735	1,864	54,694
Transfer	7,296	15,044	(30,539)	7,188	1,011	-
Disposals	(33)	(160)	-	(289)	(47)	(529)
Provision for impairment (Note 16 & 21)	-	-	-	(165)	-	(165)
Depreciation (Note 16)	(5,785)	(15,889)	-	(10,381)	(4,274)	(36,329)
As of 30 September 2014	104,276	141,060	55,750	60,213	43,247	404,546

* Other assets comprise computers, furniture and fixtures, motor vehicles and aircraft.

4. INVESTMENT PROPERTY

	2015 US$'000	2014 US$'000
As of 31 March	**82,035**	68,371
Currency translations	**(250)**	75
Fair value gains (Note 13 & 21)	**4,332**	3,294
Capitalised expenditure	**17**	2,114
Disposals	**(412)**	(52)
As of 30 September	**85,722**	73,802

5. INTANGIBLE ASSETS

	Goodwill US$'000	Technology US$'000	Patents and engineering development US$'000	Brands US$'000	Client relationships US$'000	Land use rights US$'000	Total US$'000	
As of 31 March 2015	432,036	55,824	12,866	39,900	51,590	3,362	595,578	
Currency translations	(1,719)	(137)	438	(160)	91	(116)	(1,603)	
Additions (Note 16)	-	-	2,462	-	-	-	2,462	
Amortisation (Note 16 & 21)	-	(4,589)	(985)	(1,247)	(4,127)	(119)	(11,067)	
As of 30 September 2015	**430,317**	**51,098**	**14,781**	**38,493**	**47,554**	**3,127**	**585,370**	*
As of 31 March 2014	465,011	69,691	10,446	46,032	55,989	3,564	650,733	
Currency translations	(26,783)	(3,701)	(682)	(2,932)	(3,725)	37	(37,786)	
Acquisition	-	-	-	-	9,203	-	9,203	
Additions (Note 16)	-	-	3,839	-	-	-	3,839	
Amortisation (Note 16 & 21)	-	(4,822)	(380)	(1,318)	(4,165)	(119)	(10,804)	
Provision for impairment (Note 16 & 21)	-	-	(630)	-	-	-	(630)	
As of 30 September 2014	438,228	61,168	12,593	41,782	57,302	3,482	614,555	

* Total intangible assets as of 30 September 2015 and 31 March 2015 are denominated in the following underlying currencies:

	USD equivalent	
	30 September 2015 US$'000	31 March 2015 US$'000
In CHF	**476,641**	487,726
In USD	**81,638**	82,204
In GBP	**12,270**	12,683
In EUR	**11,694**	9,603
In RMB	**3,127**	3,362
Total intangible assets	**585,370**	595,578

6. OTHER FINANCIAL ASSETS AND LIABILITIES

	30 September 2015			31 March 2015		
	Assets	**(Liabilities)**	**Net**	Assets	(Liabilities)	Net
	US$'000	**US$'000**	**US$'000**	US$'000	US$'000	US$'000
Cash flow hedge						
– raw material commodity contracts (Note a (i))	**114**	**(47,731)**	**(47,617)**	3,306	(21,794)	(18,488)
– forward foreign currency exchange contracts (Note a (ii))	**173,190**	**(93,445)**	**79,745**	221,648	(64,923)	156,725
Net investment hedge (Note b)						
– forward foreign currency exchange contracts to hedge European subsidiaries	**25,519**	**-**	**25,519**	48,616	-	48,616
– cross currency interest rate swap	**-**	**(400)**	**(400)**	1,541	-	1,541
Fair value hedge (Note c)						
– forward foreign currency exchange contracts to hedge EUR cash balance	**17,420**	**-**	**17,420**	-	-	-
Held for trading (Note d)	**-**	**(15)**	**(15)**	19	(3)	16
Others	**113**	**(480)**	**(367)**	124	-	124
Total (Note e)	**216,356**	**(142,071)**	**74,285**	275,254	(86,720)	188,534
Current portion	**44,450**	**(48,977)**	**(4,527)**	60,072	(14,531)	45,541
Non-current portion	**171,906**	**(93,094)**	**78,812**	215,182	(72,189)	142,993
Total	**216,356**	**(142,071)**	**74,285**	275,254	(86,720)	188,534

Note:

(a) Cash flow hedge

(i) Raw material commodity contracts

Copper, silver and aluminium forward commodity contracts as per the table below are designated as cash flow hedges. Gains and losses initially recognised in the hedging reserve, will be transferred to balance sheet within inventories and subsequently recognised in the income statement in the period or periods in which the underlying hedged copper, silver and aluminium volumes are consumed and sold.

As of 30 September 2015, the Group had the following outstanding raw material commodity contracts:

	Notional amount	Settlement value (US$ million)	Weighted average contract price (US$)	Mark-to-market rate (US$)	Remaining maturities range (months)	Liabilities, net carrying value (US$'000)
Cash flow hedge contracts						
Copper commodity	47,350 metric ton	288.2	6,086	5,153	1 - 70	(44,205)
Silver commodity	870,000 oz	16.1	18.54	14.84	1 - 54	(3,212)
Aluminium commodity	1,725 metric ton	3.0	1,730	1,615	1 - 23	(200)
Total						(47,617)

6. OTHER FINANCIAL ASSETS AND LIABILITIES *(Cont'd)*

(a) Cash flow hedge *(cont'd)*

(ii) Forward foreign currency exchange contracts

The EUR, HUF, JPY, PLN, ILS, GBP, INR, CHF, MXN, CAD and RMB forward foreign currency exchange contracts as per the table below are designated as cash flow hedges. The Group has sales in EUR, JPY and GBP, thus it entered into EUR, JPY and GBP forward foreign currency exchange contracts. The Group incurs majority of its operating expenses (including conversion costs) in domestic currencies in China, Hungary, Poland, Switzerland, Israel and Mexico, hence, it entered into forward foreign currency exchange contracts to hedge these expenses. Gains and losses initially recognised in the hedging reserve, will be recognised in the income statement in the period or periods in which the underlying hedged transactions occur (cash realisation).

During the period, the Group entered into a share purchase agreement to acquire the Stackpole International group of companies. The Group entered into CAD forward foreign currency exchange contracts to hedge the consideration to be settled in CAD. Gains and losses initially recognised in the hedging reserve, will be adjusted to the consideration upon completion of the acquisition.

As of 30 September 2015, the Group had the following outstanding forward foreign currency exchange contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate *	Mark-to-market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US$ million)	Assets / (liabilities), net carrying value (US$'000)
Cash flow hedge contracts							
Sell EUR forward	USD	EUR 699.5	1.40	1.17	1 - 75	978.9	158,717
Buy HUF forward	EUR	HUF 38,447.4	334.11	323.57	1 - 60	129.4	4,218
Sell JPY forward	USD	JPY 851.0	110.69	118.08	1 - 36	7.7	481
Buy PLN forward	EUR	PLN 290.0	4.47	4.45	1 - 60	73.0	328
Buy ILS forward	USD	ILS 28.4	3.97	3.91	1 - 18	7.1	110
Sell GBP forward	USD	GBP 0.5	1.54	1.51	1	0.8	13
Buy INR forward	USD	INR 1,229.4	74.10	77.68	7 - 60	16.6	(764)
Buy CHF forward	EUR	CHF 106.8	1.07	1.08	1 - 24	112.6	(1,674)
Buy MXN forward	USD	MXN 1,723.6	15.64	18.63	1 - 72	110.2	(17,651)
Buy CAD forward	USD	CAD 443.2	1.27	1.34	1	350.0	(19,344)
Buy RMB forward	USD	RMB 11,196.1	6.55	6.72	1 - 71	1,709.8	(44,689)
Total							79,745

* Weighted average contract rate is a ratio defined as notional value / settlement value except for the EUR to USD and the GBP to USD which is stated in the inverse order.

6. OTHER FINANCIAL ASSETS AND LIABILITIES *(Cont'd)*

(b) Net investment hedge

The EUR forward foreign currency exchange contracts and cross currency interest rate swaps as per the table below are designated as a net investment hedge. Gains and losses recognised in the exchange reserve, will be released from equity to profit and loss on the disposal or partial disposal of the foreign operation.

As of 30 September 2015, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate *	Mark-to-market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US$ million)	Assets / (liabilities), net carrying value (US$'000)
Net investment hedge contracts							
Sell EUR forward	USD	EUR 111.0	1.40	1.17	27 - 51	155.9	25,519
Cross currency interest rate swaps (sell EUR, buy USD)	USD	EUR 68.0	1.10	1.11	67	75.0	(400)

* Weighted average contract rate is a ratio defined as notional value / settlement value except for the EUR to USD which is stated in the inverse order.

(c) Fair value hedge

The EUR forward foreign currency exchange contracts as per the table below are designated as fair value hedge to hedge the EUR bank balance. Gains and losses were recognised in the income statement.

As of 30 September 2015, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate *	Mark-to-market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US$ million)	Assets, net carrying value (US$'000)
Fair value hedge contracts							
Sell EUR forward	USD	EUR 76.0	1.35	1.13	3 - 15	103.0	17,420

* Weighted average contract rate is a ratio defined as notional value / settlement value except for the EUR to USD which is stated in the inverse order.

6. OTHER FINANCIAL ASSETS AND LIABILITIES *(Cont'd)*

(d) Held for trading

For currency contracts designated as held for trading, fair value gains and losses on the forward contracts are immediately recognised in the income statement. The net fair value changes recognised in the income statement were not material.

As of 30 September 2015, the Group had the following outstanding contracts:

	Settlement currency	Notional value (million)	Weighted average contract rate *	Mark-to-market rate	Remaining maturities range (months)	Settlement value in USD equivalent (US$ million)	(Liabilities), net carrying value (US$'000)
Held for trading contracts							
Buy INR forward	USD	INR 69.1	65.77	66.72	1 - 6	1.1	(15)

* Weighted average contract rate is a ratio defined as notional value / settlement value except for the EUR to USD which is stated in the inverse order.

(e) The maximum exposure of other financial assets to credit risk at the reporting date was the fair value in the balance sheet.

(f) The net gain from raw material commodity and foreign currency exchange hedge contracts recognised in the income statement in the first half of FY2015/16 was US$18.3 million (first half of FY2014/15: net loss of US$2.2 million).

(g) Estimate of future cash flow

In terms of estimating future cash flow, the contracts rate compared to the spot rate of all the currency and commodity contracts as of 30 September 2015 would result in approximately US$185 million cash flow benefit (31 March 2015: US$354 million).

7. TRADE AND OTHER RECEIVABLES

	30 September 2015 US$'000	31 March 2015 US$'000
Trade receivables – gross	**345,864**	352,608
Less: impairment of trade receivables	**(1,618)**	(2,751)
Trade receivables – net	**344,246**	349,857
Prepayments and other receivables	**79,060**	65,036
	423,306	414,893

All trade and other receivables were due within one year from the end of the reporting period. Accordingly, the fair value of the Group's trade and other receivables was approximately equal to the carrying value.

Ageing of gross trade receivables

The Group normally grants credit terms ranging from 30 to 105 days to its trade customers. The ageing of gross trade receivables based on overdue date was as follows:

	30 September 2015 US$'000	31 March 2015 US$'000
Current	**326,115**	341,077
1 – 30 days overdue	**13,366**	7,606
31 – 90 days overdue	**3,602**	1,643
Over 90 days overdue	**2,781**	2,282
Total	**345,864**	352,608

There was no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers and no single customer represents 10% or more of total receivables.

8. TRADE PAYABLES

	30 September 2015 US$'000	31 March 2015 US$'000
Trade payables	**197,534**	206,161

The fair value of the Group's trade payables was approximately equal to the carrying value. The ageing analysis of trade payables based on invoice date was as follows:

	30 September 2015 US$'000	31 March 2015 US$'000
0 – 60 days	**146,511**	152,839
61 – 90 days	**39,250**	38,984
Over 90 days	**11,773**	14,338
Total	**197,534**	206,161

9. BORROWINGS

	30 September 2015 US$'000	31 March 2015 US$'000
Loans based on trade receivables (Note)	**83,172**	90,432
Other borrowings – Non-current	**582**	714
– Current	**2,903**	2,884
Total borrowings	**86,657**	94,030
Current borrowings	**42,275**	65,816
Non-current borrowings	**44,382**	28,214

Note:

Subsidiary companies have borrowed US$83.2 million in the USA, Europe and Hong Kong as of 30 September 2015 (as of 31 March 2015: US$90.4 million) based on trade receivables. These loans are placed such that the interest expense will match the geography of the operating income as follows:

- Unsecured borrowings in the USA of US$27.5 million, with a covenant that trade receivables shall not be pledged to any parties (31 March 2015: US$27.5 million).
- Borrowings in Europe of US$39.4 million (EUR35.0 million) (31 March 2015: US$43.3 million (EUR40.0 million)), which are secured by trade receivables and require an over-collateralisation level of 20% of the amount loaned (US$47.2 million as of 30 September 2015 and US$52.0 million as of 31 March 2015).
- Unsecured borrowings in Hong Kong of US$16.3 million with a covenant that trade receivables shall not be pledged to any parties (31 March 2015: US$19.6 million).

9. BORROWINGS *(Cont'd)*

The maturity of borrowings was as follows:

	Bank borrowings		Other loans	
	30 September 2015 US$'000	31 March 2015 US$'000	**30 September 2015 US$'000**	31 March 2015 US$'000
Less than 1 year	**41,872**	65,432	**403**	384
1 – 2 years	**27,500**	27,500	**415**	396
2 – 5 years	**16,300**	-	**167**	318
	85,672	92,932	**985**	1,098

As of 30 September 2015, the interest rate charged on outstanding balances ranged from 0.5% to 3.2% per annum (31 March 2015: 0.6% to 3.2% per annum) and the weighted average effective interest rate of the borrowings was approximately 0.7% (31 March 2015: 0.7%). Interest expense is disclosed in Note 15.

As of 30 September 2015, borrowings of subsidiary companies amounting to US$85.7 million (31 March 2015: US$92.9 million) were guaranteed by JEHL. The Group has financial covenants as part of its various borrowing agreements. The Group was in compliance with all covenants as of 30 September 2015 and expects to remain compliant in future periods.

Moody's Investors Service awarded Johnson Electric a "Baa1" investment grade rating with stable outlook in May 2015. Also, Standard & Poor's (S&P) Ratings Services awarded Johnson Electric a "BBB" investment grade rating with stable outlook in December 2014.

The fair value of borrowings approximately equals their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate and are within level 2 of the fair value hierarchy.

10. CONVERTIBLE BONDS

	30 September 2015 US$'000	31 March 2015 US$'000
Convertible Bonds (Liability component)	**199,867**	197,345

JEHL issued convertible bonds in an aggregate principal amount of US$200 million on 2 April 2014. These convertible bonds bear interest as cash coupon at the rate of 1% per annum, payable semi-annually. They have a maturity of 7 years to 2 April 2021 and a 5 year put option for the bondholders. The bondholders have the option of requiring JEHL to redeem all or some of the convertible bonds on 2 April 2019 at 109.31% of the principal amount. Otherwise, unless previously redeemed, converted or purchased and cancelled, JEHL will redeem each convertible bond at 113.41% of its principal amount on the maturity date. The effective interest rate of the liability component is 3.57%.

The bondholders have the right to convert their bonds into ordinary shares of JEHL at the conversion price at any time on or after 13 May 2014 up to the maturity date. No such conversions had occurred as of 30 September 2015.

With effect from 16 July 2015, the conversion price was adjusted to HK$39.78 per share as a result of the final dividend for FY2014/15.

The fair value of the liability component of the Group's convertible bonds was approximately equal to its carrying value as of 30 September 2015. The fair values of convertible bonds are within level 2 of the fair value hierarchy.

11. PROVISION OBLIGATIONS AND OTHER LIABILITIES

	Retirement benefit obligations US$'000	Legal and warranty US$'000	Restructuring US$'000	Finance lease liability US$'000	Long service payment and others US$'000	Total US$'000
As of 31 March 2015	21,319	23,794	3,983	3,710	3,827	56,633
Currency translations	296	388	153	-	(76)	761
Provisions (Note 14)	2,728	5,036	-	-	2,699	10,463
Utilised	(2,555)	(7,631)	(194)	(495)	(2,517)	(13,392)
Remeasurements *	(562)	-	-	-	-	(562)
As of 30 September 2015	**21,226** **	**21,587**	**3,942**	**3,215**	**3,933**	**53,903**
Provision obligations and other liabilities:						
Current portion	-	15,266	3,942	1,080	467	20,755
Non-current portion	28,012	6,321	-	2,135	3,466	39,934
Defined benefit pension plan assets:						
Non-current portion	(6,786)	-	-	-	-	(6,786)
As of 30 September 2015	**21,226**	**21,587**	**3,942**	**3,215**	**3,933**	**53,903**
As of 31 March 2014	10,057	22,528	6,398	4,618	3,926	47,527
Currency translations	(1,193)	(881)	(491)	-	(36)	(2,601)
Provisions (Note 14)	1,502	4,585	-	-	2,594	8,681
Utilised	(3,592)	(3,460)	(254)	(440)	(2,321)	(10,067)
Remeasurements *	10,807	-	-	-	-	10,807
As of 30 September 2014	17,581	22,772	5,653	4,178	4,163	54,347
Provision obligations and other liabilities:						
Current portion	-	14,565	5,653	962	454	21,634
Non-current portion	24,644	8,207	-	3,216	3,709	39,776
Defined benefit pension plan assets:						
Non-current portion	(7,063)	-	-	-	-	(7,063)
As of 30 September 2014	17,581	22,772	5,653	4,178	4,163	54,347

* Remeasurements represent actuarial gains and losses.

** The retirement benefit obligations were mainly denominated in CHF, GBP and EUR as of 30 September 2015. These retirement benefit obligations of US$21.2 million (31 March 2015: US$21.3 million) comprised gross present value of obligations of US$180.8 million (31 March 2015: US$184.0 million) less fair value of plan assets of US$159.6 million (31 March 2015: US$162.7 million).

12. SHARE CAPITAL

	Number of shares (thousands)		
	Ordinary shares	Shares held for the incentive share schemes	Total
As of 31 March 2013 *	895,439	(6,888)	888,551
Repurchase and cancellation of issued capital	(640)	-	(640)
Shares purchased by trustee for the incentive share schemes	-	(1,224)	(1,224)
Shares vested to Directors and employees for the incentive share schemes	-	1,144	1,144
As of 31 March 2014 *	894,799	(6,968)	887,831
Repurchase and cancellation of issued capital	(14,257)	-	(14,257)
Shares purchased by trustee for the incentive share schemes	-	(13,749)	(13,749)
Shares vested to Directors and employees for the incentive share schemes	-	1,609	1,609
As of 31 March 2015	880,542	(19,108)	861,434
Shares purchased by trustee for the incentive share schemes	-	(6,345)	(6,345)
Shares vested to Directors and employees for the incentive share schemes	-	2,519	2,519
As of 30 September 2015	**880,542**	**(22,934)**	**857,608**

* As of 15 July 2014, the shares of JEHL were consolidated on 4 to 1 basis and the number of shares for prior years has been adjusted to reflect the impact of this consolidation.

As of 30 September 2015, the total authorised number of ordinary shares was 1,760.0 million (31 March 2015: 1,760.0 million) with a par value of HK$0.05 per share (31 March 2015: HK$0.05 per share). All issued shares were fully paid.

12. SHARE CAPITAL *(Cont'd)*

	Ordinary shares US$'000	Shares held for the incentive share schemes US$'000	Share premium US$'000	Total US$'000
As of 31 March 2013	5,777	(13,849)	25,433	17,361
Repurchase and cancellation of issued capital	(4)	-	(1,646)	(1,650)
Shares purchased by trustee for the incentive share schemes	-	(2,891)	-	(2,891)
Shares vested to Directors and employees for the incentive share schemes	-	2,844	(159)	2,685
As of 31 March 2014	5,773	(13,896)	23,628	15,505
Repurchase and cancellation of issued capital	(92)	-	(23,977)	(24,069)
Shares purchased by trustee for the incentive share schemes	-	(50,726)	-	(50,726)
Shares vested to Directors and employees for the incentive share schemes	-	3,540	349	3,889
As of 31 March 2015	5,681	(61,082)	-	(55,401)
Shares purchased by trustee for the incentive share schemes	-	(21,573)	-	(21,573)
Shares vested to Directors and employees for the incentive share schemes	-	7,621	-	7,621
As of 30 September 2015	**5,681**	**(75,034)**	**-**	**(69,353)**

Cancellation of issued capital

A general mandate was approved and given to the Board by shareholders at JEHL's AGM held on 9 July 2015 empowering the Board to repurchase shares up to 10% (88.1 million shares) of the aggregate nominal amount of the issued share capital of JEHL. This mandate which had also existed in the previous year was extended to the next 12 month period. No shares were purchased in the first half of FY2015/16 for cancellation (first half of FY2014/15: 8.2 million shares after taking into account the effect of the Share Consolidation at a total cost of US$31.5 million including brokerage and cancellation fees (HK$244.6 million)).

12. SHARE CAPITAL *(Cont'd)*

Incentive share schemes

Share awards under the Long-Term Incentive Share Scheme ("Share Scheme") are granted to directors, senior management and other employees as recommended by the Chairman and Chief Executive and approved by the Remuneration Committee of the Group. The Share Scheme was approved by the shareholders on 24 August 2009 and was further amended and approved by the shareholders~~,~~ on 20 July 2011.

On 9 July 2015, a new share scheme, the Johnson Electric Restricted and Performance Stock Unit Plan ("Stock Unit Plan") was approved by the shareholders and no further grants of share awards under the Share Scheme could be made afterwards. The rules of the Stock Unit Plan provide a better framework to support the use of equity-based compensation on a global scale as Johnson Electric continues to grow its footprint. Unvested share awards granted under the Share Scheme continue to be valid subject to the provisions of the Share Scheme. Under the Stock Unit plan, the Board may grant time-vested units and performance-vested units to such eligible Directors and employees of the Group as the Remuneration Committee may select at its absolute discretion.

Senior management of the Group regularly receive annual grants of time-vested units (Restricted Stock Units or RSUs) and performance-vested units (Performance Stock Units or PSUs). According to current granting policy, time-vested units typically vest after three years. Performance-vested units vest after three years, subject to achievement of performance conditions over a three-year performance period. The primary performance condition consists of the achievement of a three-year cumulative earnings per share target that is set at the time of grant. If the primary condition is met in full, then the entire grant of PSUs will vest at the end of the vesting period. If the primary performance condition is not met, then the secondary performance conditions are considered. The secondary performance conditions consist of a series of one-year earnings per share targets set at the beginning of each year of the three-year performance period. Partial vesting occurs if one or more of the one-year earnings per share targets are met.

The three-year cumulative goal for earnings per share for the fiscal years of 2015/2016 through 2017/2018 are 77 US Cents per share, a compound annual growth rate of 6.4% from the prior three-year cumulative goal.

Once vested, the directors have the discretion to deliver either shares or the cash equivalent of the vested shares to eligible employees.

12. SHARE CAPITAL *(Cont'd)*

JEHL makes annual grants of fully-vested shares to the Independent Non-Executive Directors ("INED"). The shares granted must be held by each director for the remainder of the board term in which the grant was made. Each year, JEHL grants each of the INED shares equivalent in value to US$6,000 rounded up to the next multiple of 500 shares.

Movements in the number of unvested units granted were as follows:

	Number of unvested units granted (thousands)		
	Restricted Stock Units	Performance Stock Units	Total
Unvested units granted, as of 31 March 2014 *	3,624	4,300	7,924
Units granted to Directors and employees during the year	1,828	2,267	4,095
Units vested to Directors and employees during the year	(794)	(815)	(1,609)
Forfeited during the year	(140)	(222)	(362)
Unvested units granted, as of 31 March 2015	4,518	5,530	10,048
Units granted to Directors and employees during the period	2,152	2,312	4,464
Units vested to Directors and employees during the period	(1,266)	(1,253)	(2,519)
Forfeited during the period	(105)	(112)	(217)
Unvested units granted, as of 30 September 2015	**5,299**	**6,477**	**11,776**

* As of 15 July 2014, the shares of JEHL were consolidated on 4 to 1 basis and the number of shares for prior periods has been adjusted to reflect the impact of the share consolidation.

The weighted average fair value of the unvested units granted during the period was HK$28.12 (US$3.61).

As of 30 September 2015, excluding any subsequent grants and forfeitures, the number of unvested units under both the Share Scheme and the Stock Unit Plan on a combined basis was as follows:

	Number of unvested units granted (thousands)		
Vesting year *	Restricted Stock Units	Performance Stock Units	Total
FY2016/17	1,336	2,030	3,366
FY2017/18	1,400	2,153	3,553
FY2018/19	2,238	2,294	4,532
FY2019/20	325	-	325
Total unvested units granted	**5,299**	**6,477**	**11,776**

* Shares are typically vested on 1 June of the year

13. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Gross rental income from investment property	**2,068**	2,118
Gains / (losses) on investments, net	**25**	(65)
Gains / (losses) on disposal of property, plant and equipment and investment property (Note 21)	**6,156**	(268)
Fair value gains on investment property (Note 4 & 21)	**4,332**	3,294
Fair value losses on other financial assets / liabilities	**(413)**	(8)
Subsidies and other income	**1,877**	2,420
	14,045	7,491

14. SELLING AND ADMINISTRATIVE EXPENSES

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Selling expenses	**45,579**	51,422
Administrative expenses	**148,575**	152,315
Legal and warranty (Note 11)	**5,036**	4,585
Net exchange (gains) / losses on revaluation of monetary assets and liabilities (Note 16)	**(17,768)**	211
	181,422	208,533

Note: Selling and administrative expenses included operating lease payments for the first half FY2015/16 of US$3.0 million (first half of FY2014/15: US$3.4 million).

15. FINANCE INCOME / (COSTS), NET

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Interest income	**3,990**	7,426
Interest expense on borrowings	**(735)**	(790)
Interest expense on convertible bonds (Note 18)	**(3,521)**	(3,434)
Net interest (expense) / income (Note 21)	**(266)**	3,202

Borrowings are discussed in Note 9. Convertible bonds are discussed in Note 10.

16. EXPENSES BY NATURE

Operating profit was stated after crediting and charging the following:

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Depreciation		
Depreciation of property, plant and equipment (Note 3)	**37,706**	36,329
Less: amounts capitalised in assets under construction	**(460)**	(286)
Net depreciation (Note 21)	**37,246**	36,043
Engineering expenditure *		
Engineering expenditure	**65,236**	63,952
Capitalisation of engineering development costs (Note 5)	**(2,462)**	(3,839)
Net engineering expenditure	**62,774**	60,113
Employee compensation		
Wages and salaries	**289,250**	291,503
Share-based payments	**4,767**	3,523
Social security costs	**29,774**	27,746
Pension costs - defined benefit plans	**2,728**	1,502
Pension costs - defined contribution plans	**2,484**	2,264
	329,003	326,538
Less: amounts capitalised in assets under construction	**(3,283)**	(2,371)
	325,720	324,167
Other items:		
Cost of goods sold **	**740,050**	753,546
Auditors' remuneration	**1,211**	1,221
Amortisation of intangible assets (Note 5 & 21)	**11,067**	10,804
Impairment of property, plant and equipment (Note 3 & 21)	**1,491**	165
Impairment of intangible assets (Note 5 & 21)	**-**	630
Net exchange (gains) / losses on revaluation of monetary assets and liabilities (Note 14)	**(17,768)**	211
(Write back) for impairment / impairment of trade receivables / bad debt expense	**(1,229)**	149

* Engineering expenditure as a percentage of sales was 6.4% in the first half of FY2015/16 (first half of FY2014/15: 5.9%).

** Cost of goods sold comprised materials, direct labour costs (including their social costs) and production overheads including operating lease payments of US$7.1 million (first half of FY2014/15: US$7.4 million).

17. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (first half of FY2014/15: 16.5%) on the estimated assessable profit for the period. Overseas tax has been provided at the applicable rates on the estimated assessable profit in the respective countries of operations for the period. The overall global effective tax rate for the first half of FY2015/16 was 11.3% (first half of FY2014/15: 11.7%).

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Current income tax		
Hong Kong profits tax *	**3,994**	6,431
Overseas taxation	**13,966**	13,218
Over provision in prior years	**(1,123)**	(896)
	16,837	18,753
Deferred income tax	**(3,798)**	(3,741)
Total income tax expense	**13,039**	15,012
Effective tax rate	**11.3%**	11.7%

* The Hong Kong current tax obligation reduced as a result of required changes to our legal structure and the associated creation of Wholly Foreign Owned Enterprises in China, replacing our previous contract processing arrangements. This change in Hong Kong taxes was offset by a change in mainland China taxes.

The Group's effective tax rate of 11.3% differed from the statutory tax rate of Hong Kong of 16.5% as follows:

	Six months ended 30 September 2015		Six months ended 30 September 2014	
		US$'000		US$'000
Profit before income tax		**115,143**		128,614
Tax charged at Hong Kong profits tax rate	**16.5%**	**18,999**	16.5%	21,221
Effect of different tax rates in other countries				
– Countries with taxable profit	**2.3%**	**2,664**	(0.6)%	(703)
– Countries with loss	**(0.6)%**	**(759)**	(0.4)%	(572)
Effect of income, net of expenses, not subject to tax	**(3.8)%**	**(4,355)**	(3.8)%	(4,903)
Over provisions in prior years (current and deferred)	**(1.0)%**	**(1,135)**	(0.7)%	(896)
Effect of tax losses unrecognised / (recognised), net of (utilisation)	**0.3%**	**362**	(0.6)%	(761)
Other timing differences (recognised) / unrecognised as an asset and other taxes *	**(2.4)%**	**(2,737)**	1.3%	1,626
	11.3%	**13,039**	11.7%	15,012

* Net of (utilisation)

18. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share was calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by JEHL and held for the incentive share schemes.

	Six months ended 30 September 2015	2014
Profit attributable to shareholders (thousands US Dollar)	**97,840**	109,317
Weighted average number of ordinary shares in issue (thousands)	**861,982**	884,327
Basic earnings per share (US Cents per share)	**11.35**	12.36
Basic earnings per share (HK Cents per share)	**87.99**	95.89

Diluted earnings per share

Diluted earnings per share was calculated by adjusting the weighted average number of ordinary shares as per basic earnings per share, to include the weighted average number of all the dilutive potential ordinary shares.

	Six months ended 30 September 2015	2014
Profit attributable to shareholders (thousands US Dollar)	**97,840**	109,317
Adjustments for convertible bonds		
– Interest (thousands US Dollar) (Note 15)	**3,521**	3,434
– Deferred income tax effect (thousands US Dollar)	**(371)**	(357)
Adjusted profit attributable to shareholders (thousands US Dollar)	**100,990**	112,394
Weighted average number of ordinary shares issued and outstanding (thousands)	**861,982**	884,327
Adjustments for incentive shares granted		
– Incentive share schemes - Restricted Stock Units	**4,396**	3,790
– Incentive share schemes - Performance Stock Units	**2,568**	1,176
Adjustments for convertible bonds		
– assumed conversion of convertible bonds	**39,025**	38,294
Weighted average number of ordinary shares (diluted) (thousands)	**907,971**	927,587
Diluted earnings per share (US Cents per share)	**11.12**	12.12
Diluted earnings per share (HK Cents per share)	**86.22**	93.99

19. INTERIM DIVIDENDS

	Six months ended 30 September 2015 US$'000	2014 US$'000
Interim, of 15 HK Cents (1.92 US Cents) per share, to be paid in January 2016 (first half of FY2014/15: 14 HK Cents or 1.79 US Cents)	**16,599** *	15,726
	16,599	15,726

* Proposed dividend is calculated based on the total number of shares as of 30 September 2015. Actual dividend will be paid on 6 January 2016 to shareholders whose names appear on the Register of Shareholders of JEHL on 28 December 2015.

20. COMMITMENTS

	30 September 2015 US$'000	31 March 2015 US$'000
Capital commitments for property, plant and equipment		
Contracted but not provided for	**25,553**	18,884

21. CASH GENERATED FROM OPERATIONS

	Six months ended 30 September 2015 US$'000	2014 US$'000
Profit before income tax	**115,143**	128,614
Add: Depreciation of property, plant and equipment (Note 16)	**37,246**	36,043
Amortisation of intangible assets (Note 5 & 16)	**11,067**	10,804
Finance expense / (income), net (Note 15)	**266**	(3,202)
Share of profit of assoicate	**(466)**	(435)
EBITDA*	**163,256**	171,824
Other non-cash items and adjustments		
(Gains) / losses on disposal of property, plant and equipment and investment property (Note 13)	**(6,156)**	268
Impairment of property, plant and equipment (Note 3 & 16)	**1,491**	165
Impairment of intangible assets (Note 5 & 16)	**-**	630
Net realised and unrealised (gains) / losses on financial assets at fair value through profit and loss	**(90)**	60
Share-based compensation expense	**4,802**	3,561
Fair value gains on investment property (Note 4 & 13)	**(4,332)**	(3,294)
Others	**1,839**	-
	(2,446)	1,390
EBITDA* net of other non-cash items and adjustments	**160,810**	173,214
Change in working capital		
Increase in inventories	**(14,603)**	(24,760)
(Increase) / decrease in trade and other receivables	**(8,303)**	20,812
Increase in other non-current assets	**(1,369)**	(770)
Decrease in trade payables, other payables and deferred income	**(31,167)**	(8,725)
Decrease in provision obligations and other liabilities **	**(2,929)**	(1,386)
Change in other financial assets / liabilities	**(2,403)**	196
	(60,774)	(14,633)
Cash generated from operations	**100,036**	158,581

* EBITDA: Earnings before interest, taxes, depreciation and amortisation

** Net of defined benefit pension plan assets

22. RELATED PARTY TRANSACTION

22.1 Directors' emoluments

Directors' emoluments amounted to US$3.2 million for the first half of FY2015/16 (first half of FY2014/15: US$3.2 million).

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Salaries, allowances and other benefits *	**1,175**	1,112
Retirement scheme contributions	**118**	113
Bonuses	**1,918**	1,979
	3,211	3,204

* Included the value of grant of shares to independent non-executive directors.

22.2 Key / senior management compensation

Other than the directors' remuneration disclosed above, emoluments paid to 10 (first half of FY2014/15: 10) key / senior management as set out in our 2015 annual report were as follows:

	Six months ended 30 September	
	2015	2014
	US$'000	US$'000
Salaries, allowances and other benefits	**3,096**	3,052
Retirement scheme contributions	**268**	259
Share-based payment	**3,732**	2,355
Bonuses	**3,588**	3,098
	10,684	8,764

23. POST BALANCE SHEET EVENT

On 10 August 2015, three subsidiaries of the Group entered into a conditional share purchase agreement to acquire the entire share capital of three companies which together constitute the business of Stackpole International ("Stackpole") for consideration of about C$870 million (C$800 million enterprise value plus other considerations) subject to post-closing adjustments and transaction expenses incurred for the acquisition.

Stackpole is a leading manufacturer of highly-engineered automotive engine and transmission pumps and powder metal components and is headquartered in Ontario, Canada. Acquiring Stackpole's pump technology and powder metal expertise will enable the Group to provide integrated motorised pump solutions to customers in a rapidly growing market segment within the automotive industry and increase the Group's exposure to the North American automotive market which is presently experiencing strong demand, as well as provide attractive longer term growth platforms in Europe and Asia.

Completion occurred on 27 October 2015 as all conditions precedent set out in the agreement were satisfied. The consideration was financed from the Group's internal cash reserves and available credit facilities.

The purchase price allocation and fair value assessment are not yet completed. These will be completed in the second half of FY2015/16 after obtaining more information on asset valuations.

Acquisition expenses amounted to US$1.8 million (approximately C$2.3 million) were incurred in the first half of FY2015/16. In the second half of the year, we expect to incur additional transaction expenses of C$18 million to completely consummate the acquisition. Excluding these one-time transaction costs, we expect the acquisition of Stackpole to be earnings enhancing for the Group in FY2015/16.

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, fair value interest rate risk and commodity price risk), customer credit risk, liquidity risk and capital risk.

This condensed consolidated interim financial information does not include all financial risk management information and disclosure required in the annual financial statements, it should be read in conjunction with the Group's annual financial statements as of 31 March 2015.

There have been no changes in the Group's risk management policies since 31 March 2015.

25. FAIR VALUE ESTIMATION

The fair value of the Group's assets and liabilities is classified into a 3 levels hierarchy based on measurement according to HKFRS 7 and HKFRS 13 requirements and disclosed as below:

Level 1 : No financial assets and liabilities of the Group are quoted in public markets.

Level 2 : The Group's level 2 financial assets and liabilities are traded in the market and the fair values are based on bank valuations. The Group's level 2 investment property is valued on an open market basis.

Level 3 : The Group's level 3 investment property is not traded actively in the market and the fair values are obtained by appraisals performed by independent, professional qualified valuers. The fair values of the Group's level 3 financial assets / liabilities are based on the valuations issued by investment bank.

25. FAIR VALUE ESTIMATION *(cont'd)*

The following table presents the Group's assets and liabilities that are measured at fair value as of 30 September 2015 and 31 March 2015.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
As of 30 September 2015				
Assets				
Investment property				
– Commercial building	-	-	54,451	54,451
– Industrial property	-	-	25,463	25,463
– Residential property and car parks	-	457	5,351	5,808
Other financial assets				
– Derivatives used for hedging	-	216,243	-	216,243
– Others	-	-	113	113
Financial assets at fair value through profit and loss	-	42,941	-	42,941
Total assets	-	259,641	85,378	345,019
Liabilities				
Other financial liabilities				
– Derivatives used for hedging	-	141,576	-	141,576
– Derivatives held for trading	-	15	-	15
– Others	-	-	480	480
Total liabilities	-	141,591	480	142,071

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
As of 31 March 2015				
Assets				
Investment property				
– Industrial property	-	-	76,003	76,003
– Residential property and car parks	-	681	5,351	6,032
Other financial assets				
– Derivatives used for hedging	-	275,111	-	275,111
– Derivatives held for trading	-	19	-	19
– Others	-	-	124	124
Total assets	-	275,811	81,478	357,289
Liabilities				
Other financial liabilities				
– Derivatives used for hedging	-	86,717	-	86,717
– Derivatives held for trading	-	3	-	3
Total liabilities	-	86,720	-	86,720

25. FAIR VALUE ESTIMATION *(Cont'd)*

There were no significant transfer of assets / liabilities between the level 1, level 2 and level 3 fair value hierarchy classifications during the period.

The following summarises the major methods and assumptions used in estimating the fair values of the assets and liabilities classified as level 2 or 3 and the valuation process for assets and liabilities classified as level 3:

(i) Investment property

Level 2

Fair values of car parks are generally derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties in close proximity, which have recently transacted. The most significant input into this valuation approach is unit price per parking space.

Level 3

Fair values of commercial building, industrial property and residential property are derived using the income capitalisation and market comparison method. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have referenced to valuers' view of recent lettings, within the subject property and other comparable property. The market comparison method takes into account properties that are similar in nature in the general locality, which have recently transacted, with adjustments made on factors such as size, age, location and condition. The most significant input in this valuation approach is the price per square feet.

Discussion of valuation processes and results are held between the Group's senior management and valuers to validate the major inputs and validation process.

Significant inputs used to determine the fair value of investment property are as follows:

		As of 30 September 2015		As of 31 March 2015	
Property	Valuation method	Market rate / rent per month	Market yield	Market rate / rent per month	Market yield
Commercial	Market comparison	HK$3,836/sq.ft		HK$3,545/sq.ft	
Industrial	Income capitalisation	HK$4.2 to HK$7.0/sq.ft	7.4% to 11.0%	HK$4.2 to HK$7.0/sq.ft	7.4% to 11.0%
Residential	Market comparison	HK$18,138/sq.ft		HK$18,138/sq.ft	

Market rates / rents are estimated based on valuers' view of recent lettings, within the subject property and other comparable property. The higher the rents, the higher the fair value.

Market yields are estimated by valuers based on the risk profile of the property being valued. The lower the rates, the higher the fair value.

25. FAIR VALUE ESTIMATION *(Cont'd)*

(ii) Other financial assets / liabilities

The majority of the Group's other financial assets / liabilities are classified as level 2. The Group relies on bank valuations to determine the fair value of financial assets / liabilities which in turn are determined using discounted cash flow analysis. These valuations maximise the use of observable market data. Commodity price and foreign currency exchange prices are the key observable inputs in the valuation.

(iii) Financial assets at fair value through profit and loss

The Group's financial assets at fair value through profit and loss are classified as level 2, are valued by the financial institutions who calculate the fair value using discounted cash flow analysis based on open market data such as exchange rates.

The following table presents the changes in level 3 assets / liabilities for the first half of FY2015/16 and the first half of FY2014/15:

	Investment property									
	Commercial building		Industrial property		Residential property		Other financial assets / (liabilities)		Total	
	Sep 15 US$'000	Sep 14 US$'000	**Sep 15 US$'000**	Sep 14 US$'000	**Sep 15 US$'000**	Sep 14 US$'000	**Sep 15 US$'000**	Sep 14 US$'000	**Sep 15 US$'000**	Sep 14 US$'000
As of 31 March	**-**	-	**76,003**	61,967	**5,351**	5,672	**124**	198	**81,478**	67,837
Currency translations	**-**	-	**(249)**	74	**-**	-	**-**	-	**(249)**	74
Capitalised expenditure	**17**	-	**-**	2,114	**-**	-	**-**	-	**17**	2,114
Transfer	**50,291**	-	**(50,291)**	-	**-**	-	**-**	-	**-**	-
Disposal	**-**	-	**-**	-	**-**	-	**(76)**	-	**(76)**	-
Fair value gains / (losses) recorded in income statement	**4,143**	-	**-**	3,624	**-**	(330)	**(415)**	(69)	**3,728**	3,225
As of 30 September	**54,451**	-	**25,463**	67,779	**5,351**	5,342	**(367)**	129	**84,898**	73,250
Change in unrealised gains / (losses) for the period included in income statement for assets held at balance sheet date	**4,143**	-	**-**	3,624	**-**	(330)	**(415)**	(69)	**3,728**	3,225
Total gains / (losses) for the period included in income statement under "Other income and gains, net"	**4,143**	-	**-**	3,624	**-**	(330)	**(415)**	(69)	**3,728**	3,225

26. FINANCIAL INSTRUMENTS BY CATEGORY

According to HKFRS 7 and HKFRS 9, financial assets represent assets with contractual rights to receive cash flows. Financial liabilities represent liabilities with contractual obligations to pay the cash flows to one or more recipients. The financial instruments of the Group are classified into 2 categories disclosed as below:

	Financial assets / (liabilities) at amortised cost US$'000	Financial assets / (liabilities) at fair value US$'000	Total US$'000
As of 30 September 2015			
Assets as per balance sheet			
Other non-current assets	4,880	-	4,880
Other financial assets	-	216,356	216,356
Financial assets at fair value through profit and loss	-	42,941	42,941
Trade and other receivables excluding prepayments	361,728	-	361,728
Cash and deposits	677,594	-	677,594
Total financial assets	1,044,202	259,297	1,303,499
Liabilities as per balance sheet			
Other financial liabilities	-	(142,071)	(142,071)
Trade payables	(197,534)	-	(197,534)
Other payables	(74,949)	-	(74,949)
Borrowings	(86,657)	-	(86,657)
Convertible bonds	(199,867)	-	(199,867)
Finance lease	(3,216)	-	(3,216)
Total financial liabilities	(562,223)	(142,071)	(704,294)
As of 31 March 2015			
Assets as per balance sheet			
Other non-current assets	4,785	-	4,785
Other financial assets	-	275,254	275,254
Trade and other receivables excluding prepayments	363,066	-	363,066
Cash and deposits	773,172	-	773,172
Total financial assets	1,141,023	275,254	1,416,277
Liabilities as per balance sheet			
Other financial liabilities	-	(86,720)	(86,720)
Trade payables	(206,161)	-	(206,161)
Other payables	(66,273)	-	(66,273)
Borrowings	(94,030)	-	(94,030)
Convertible bonds	(197,345)	-	(197,345)
Finance lease	(3,710)	-	(3,710)
Total financial liabilities	(567,519)	(86,720)	(654,239)

27. EFFECT OF ADOPTING NEW, REVISED AND AMENDED HKFRS

In the first half of FY2015/16, the Group adopted the following revised and amended standards of HKFRS below, which are relevant to its operations and have an impact on the consolidated financial statements:

Annual improvement 2012	Annual improvements 2010-2012 reporting cycle
Annual improvement 2013	Annual improvements 2011-2013 reporting cycle

The adoption of such revised and amended standards did not have material impact on the consolidated financial statements.

CORPORATE AND SHAREHOLDER INFORMATION

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

CORPORATE INFORMATION

Board of Directors

Executive Directors

Patrick Shui-Chung Wang *JP*
Chairman and Chief Executive

Winnie Wing-Yee Wang
Vice-Chairman

Austin Jesse Wang

Non-Executive Directors

Yik-Chun Koo Wang
Honorary Chairman

Peter Kin-Chung Wang

Peter Stuart Allenby Edwards*

Patrick Blackwell Paul *CBE* *

Michael John Enright*

Joseph Chi-Kwong Yam
GBM, GBS, CBE, JP *

Christopher Dale Pratt *CBE**

* Independent Non-Executive Director

Company Secretary

Lai-Chu Cheng

Auditor

PricewaterhouseCoopers

Registrars and Transfer Offices

Principal Registrar:
MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Registrar in Hong Kong:
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Hong Kong Head Office

12 Science Park East Avenue, 6/F
Hong Kong Science Park
Shatin, New Territories
Hong Kong

Tel	: (852) 2663 6688
Fax	: (852) 2897 2054
Website	: www.johnsonelectric.com

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Commerzbank AG
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Mizuho Bank, Ltd.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Citibank, N.A.
JPMorgan Chase Bank, N.A.
BNP Paribas
Standard Chartered Bank

Rating agencies

Moody's Investors Service
Standard & Poor's Ratings Services

LISTING INFORMATION

Share Listing

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

Stock Code

The Stock Exchange of Hong Kong Limited	: 179
Bloomberg	: 179:HK
Reuters	: 0179.HK

SHAREHOLDERS' CALENDAR

Register of Shareholders

Closure of Register (both dates inclusive)

23 – 28 December 2015 (Wed – Mon)

Dividend (per Share)

Interim Dividend	: 15 HK Cents
Payable on	: 6 January 2016 (Wed)

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.johnsonelectric.com) and HKExnews (www.hkexnews.hk). The Company's Interim Report 2015 will be despatched to the shareholders and available on the same websites on or about 19 November 2015.

BOARD OF DIRECTORS

As of the date of this announcement, the Board 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, Michael John Enright, Joseph Chi-Kwong Yam and Christopher Dale Pratt being the Independent Non-Executive Directors.

On behalf of the Board

Patrick Shui-Chung Wang *JP*
Chairman and Chief Executive

Hong Kong, 4 November 2015

Johnson Electric is one of the constituent stocks on the Hang Seng Low Volatility Index and the Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Bloomberg World Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit: www.johnsonelectric.com.