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REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Johnson Electric Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
ADOPTION OF LONG-TERM INCENTIVE SHARE SCHEME,
GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Johnson Electric Holdings Limited to be held at The Harcourt Suite, 1st Floor, The Hong Kong Club, 1 Jackson Road, Central, Hong Kong on 29th July 2009 at 11:00 a.m. is set out on pages 17 to 20 of this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy in accordance with the instructions printed thereon to the Hong Kong Head Office of the Company at 12 Science Park East Avenue, 6/F, Hong Kong Science Park, Shatin, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion of the form of proxy will not preclude Shareholders from attending and voting at the meeting in person should they so wish.

26th June 2009

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DEFINITIONS

In this circular and the appendices, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the Annual General Meeting of the Company to be held at The Harcourt Suite, 1st Floor, The Hong Kong Club, 1 Jackson Road, Central, Hong Kong on 29th July 2009 at 11:00 a.m., notice of which is set out on pages 17 to 20 of this circular, or any adjournment thereof
“Associates”	has the meaning ascribed thereto in the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-Laws”	the Bye-Laws of the Company
“Company”	Johnson Electric Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Connected persons”	has the meaning ascribed thereto in the Listing Rules
“Director”	the directors of the Company
“Director Grantee”	any Director who accepts the offer of the grant of the New Scheme
“Employee”	any employee of the Company or its subsidiaries, who has been in the full-time employment of the Company and/or its subsidiaries
“Employee Grantee”	any Employee who accepts the offer of the grant of the New Scheme
“Grantee”	any Director Grantee or Employee Grantee
“Effective Date”	1st August 2009
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed ordinary resolution as referred to in resolution no. 6 of the Notice of AGM
“Latest Practicable Date”	18th June 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New Scheme”	the new Long-Term Incentive Share Scheme proposed to be adopted at the AGM
“Notice of AGM”	the notice of the AGM set out on pages 17 to 20 of this circular
“Repurchase Mandate”	the proposed ordinary resolution as referred to in resolution no. 7 of the Notice of AGM
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company for repurchase during the period as set out in the Repurchase Mandate Shares up to a maximum of 10% of the issued share capital of the Company at the date of the Repurchase Mandate
“Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate repurchase by companies, with a primary listing on the Stock Exchange, of their own securities on the Stock Exchange
“Scheme”	the existing Long-Term Incentive Share Scheme adopted on 26th July 1999, effective 1st August 1999 and will expire on 31st July 2009
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the Share(s) in issue
“Share(s)”	share(s) of HK\$0.0125 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	the price per Share at which the custodian may subscribe for Shares on the exercise of the New Scheme
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

Board of Directors

Executive Directors

Patrick Shui-Chung Wang *JP*

Chairman and Chief Executive

Winnie Wing-Yee Wang

Vice-Chairman

Richard Li-Chung Wang

Austin Jesse Wang

Non-Executive Directors

Yik-Chun Koo Wang

Honorary Chairman

Peter Kin-Chung Wang

Peter Stuart Allenby Edwards*

Patrick Blackwell Paul*

Oscar de Paula Bernardes Neto*

Laura May-Lung Cha *SBS, JP**

Michael John Enright*

Hong Kong Head Office

12 Science Park East Avenue, 6/F

Hong Kong Science Park

Shatin, New Territories

Hong Kong

Registered Office

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

* *Independent Non-Executive Director*

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
ADOPTION OF LONG-TERM INCENTIVE SHARE SCHEME AND
GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM, and provide you with information on matters to be dealt with at the AGM: (i) re-election of Directors; (ii) adoption of Long-Term Incentive Share Scheme; (iii) grant of general mandate to issue Shares; and (iv) grant of general mandate to repurchase Shares.

RE-ELECTION OF DIRECTORS

At the AGM, Ms. Winnie Wing-Yee Wang, Mr. Richard Li-Chung Wang, Mrs. Laura May-Lung Cha and Mr. Oscar de Paula Bernardes Neto will retire as Directors by rotation. Save and except Mr. Richard Li-Chung Wang and Mrs. Laura May-Lung Cha who will not seek re-election at the AGM, all the other aforesaid Directors, being eligible, will offer themselves for re-election in accordance with Article 109(A) of the Company's Bye-Laws.

As announced by the Company on 5th June 2009, Mr. Richard Li-Chung Wang and Mrs. Laura May-Lung Cha will retire from the Board with effect from the conclusion of the AGM. On the same day, the Board also announced the appointment of Mr. Austin Jesse Wang as Director of the Company with effect from 5th June 2009. In accordance with Bye-Law 100 of the Company's Bye-Laws, his term will expire at the conclusion of the AGM and being eligible, he will offer himself for re-election by Shareholders at the AGM.

Particulars of the above mentioned Directors offering for re-election at the AGM are set out in Appendix I to this circular.

LONG-TERM INCENTIVE SHARE SCHEME

On 26th July 1999, the Company adopted the Scheme to reward performance and encourage Employees to focus on long-term shareholder value creation. The compensation package for executives is structured to include a balance between fixed salary and short- and long-term performance-related compensation. The Scheme is designed to link part of the participants' future compensation to the creation of long-term value for Shareholders.

As the Scheme will expire on 31st July 2009, it will require a renewal for another term of 10 years at the AGM. In view of the growth of the Group, both in revenue and in the ranks of Employees eligible to participate in the Scheme, it is proposed to adopt the New Scheme with the maximum total number of Shares which may be granted under the Scheme, when aggregated with any Shares subject to any other scheme of the Company, to be increased from 2% to 2.5% of the Shares of the Company in issue as at the date of approval of the New Scheme excluding any Shares issued pursuant to the New Scheme and any other existing scheme. A resolution is proposed to be sought from Shareholders at the AGM to

approve and adopt the New Scheme and authorize the Directors to grant Shares and to issue and allot additional Shares of the Company up to 2.5% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution. Based on the 3,673,788,920 Shares in issue at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the maximum number of Shares which may be granted under the New Scheme will be 91,844,723 Shares. A summary of the New Scheme is set out in Appendix II of this circular.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

The Issue Mandate is proposed to be sought from Shareholders at the AGM to authorise the Directors to issue, allot and dispose of additional shares of the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution. Based on the 3,673,788,920 Shares in issue at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the Company will therefore be allowed under the Issue Mandate to issue a maximum of 734,757,784 Shares.

On 24th July 2008 a general and unconditional mandate was also given to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the AGM granting the Repurchase Mandate to the Directors. Based on the 3,673,788,920 Shares in issue at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 367,378,892 Shares. In accordance with the Repurchase Rules, the Company is required to send to Shareholders an explanatory statement containing information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares. This explanatory statement is set out in Appendix III to this circular.

Conditional upon the passing of the Resolutions 6 and 7, an ordinary resolution to authorise the Directors to exercise the powers to issue, allot and dispose of additional shares of the Company under the Issue Mandate in respect of the aggregate nominal amount of the share capital in the Company repurchased by the Company will also be proposed for approval by Shareholders at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

The Notice of AGM, which contains resolutions in respect of the re-election of Directors, adoption of the New Scheme, Issue Mandate and Repurchase Mandate is set out on pages 17 to 20 of this circular.

There is enclosed a form of proxy for use at the AGM. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Hong Kong Head Office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The Chairman will therefore demand a poll for every resolution put to the vote of the AGM. Pursuant to the Bye-Law 78 of the Bye-Laws, a poll is demanded by:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The results of the poll will be published on the Company's and HKExnews websites following the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATIONS

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,

On behalf of the Board

Patrick Shui-Chung Wang
Chairman and Chief Executive

Hong Kong, 26th June 2009

APPENDIX I DETAILS OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Winnie Wing-Yee Wang

Vice-Chairman

Member of Remuneration Committee

Winnie Wing-Yee Wang, age 62, obtained her BSc degree from Ohio University in U.S.A. She joined the Johnson Electric Group in 1969. She became a director in 1971 and Executive Director in 1984 and was elected Vice-Chairman in 1996. Ms. Wang is a non-executive director of Tristate Holdings Limited. She has not held any directorship in other public companies during the last three years.

Ms. Wang has not entered into any service contract with the Company, but she is subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-Laws. The director's emolument is determined by Remuneration Committee with reference to her experiences, as well as remuneration benchmark in the industry and the prevailing market trends. Ms. Wang received a director's emolument of US\$530,154 for the year ended 31st March 2009.

Ms. Wang is a daughter of Ms. Yik-Chun Koo Wang, the Honorary Chairman; a sister of Dr. Patrick Shui-Chung Wang, the Chairman and Chief Executive; Mr. Richard Li-Chung Wang, the Executive Director and Mr. Peter Kin-Chung Wang, the Non-Executive Director, and an aunt of Mr. Austin Jesse Wang, the Executive Director. Ms. Wang does not have any interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of her re-election.

Austin Jesse Wang

Executive Director

Austin Jesse Wang, age 28, graduated from Massachusetts Institute of Technology with M.Eng and B.S. degrees in Computer Science and Electrical Engineering. He is a director of a number of the Company's subsidiaries including Johnson Electric International Limited, Johnson Electric Automotive, Inc. and Johnson Electric International AG. He is presently a Technical Product Manager with Saia-Burgess Controls, a subsidiary of the Company; and prior to that was a Senior Manager Operations for Saia-Burgess Industry Division. Mr. Wang joined the Johnson Electric Group in 2006, having previously worked as a consulting engineer in the computing industry. He has not held any directorship in public companies during the last three years.

Mr. Wang has not entered into any service contract with the Company, but he is subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-Laws. Mr. Wang's annual director emolument is US\$156,638. The director's emolument is determined by Remuneration Committee with reference to his experiences, as well as remuneration benchmark in the industry and the prevailing market trends.

Mr. Wang is a grandson of Ms. Yik-Chun Koo Wang, Honorary Chairman, a son of Dr. Patrick Shui-Chung Wang, Chairman and Chief Executive, a nephew of Ms. Winnie Wing-Yee Wang, Vice-Chairman, Mr. Richard Li-Chung Wang, Executive Director and Mr. Peter Kin-Chung Wang, Non-Executive Director. He does not have any interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

Oscar de Paula Bernardes Neto
Independent Non-Executive Director
Member of Remuneration Committee

Oscar de Paula Bernardes Neto, age 62, has been an Independent Non-Executive Director of the Company since 2003. He obtained a degree in Chemical Engineering from the Federal University of Rio de Janeiro-Brazil. He was a Senior Partner of Booz Allen & Hamilton and Chief Executive Officer of Bunge International. Mr. Bernardes is currently a partner of Integra Associados and a director of Delphi Corporation, Metalúrgica Gerdau S.A., Gerdau S.A., Companhia Suzano de Papel e Celulose, Localiza and São Paulo Alpargatas S.A. He is also a member of the Advisory Boards of Bunge Brasil, Alcoa Brasil and Veirano Associados. Mr. Bernardes was also a Director of Satipel S.A. until April 2009. He has not held any directorship in other public companies during the last three years.

Mr. Bernardes has not entered into any service contract with the Company. He was appointed for a term of two years subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-Laws. The director's fee is determined by Remuneration Committee with reference to remuneration benchmark in the industry and the prevailing market trends. Mr. Bernardes received a director's fee of US\$33,800 for the year ended 31st March 2009.

Mr. Bernardes is not connected with any other director, the senior management or any substantial or controlling shareholder of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

The following is a summary of the New Scheme of the Company:

(1) Eligibility

The Directors may, at their discretion, invite Employees and Directors to participate in the New Scheme.

(2) Grant of Shares

The Board may, at any time within a period of 10 years from the Effective Date of the New Scheme after its adoption at the AGM, grant to such eligible Employees and Directors as the Board may select in its absolute discretion Shares under the New Scheme. The Board will have the right to impose conditions, restrictions or limitations additional to those set out in the New Scheme in relation to particular grant, for example, a vesting schedule, or performance conditions relating to the achievement of predetermined business performance objectives over rolling, three-year cycles. The business performance criteria used under the New Scheme may include the Company's earnings per share, total shareholder return (defined as share price appreciation plus dividend income), operating cash flow, and other such measures of shareholder value creation deemed appropriate by the Board.

In the case of Shares granted with performance conditions, the number of Shares that the Grantee is eligible to receive at the end of the performance cycle depends on performance compared to the performance condition, and Grantees may receive the entire grant, a portion of the grant, or nothing. The Board may change the number of years in a performance cycle from time to time as it deems appropriate.

(3) Sources of and Funding for the Shares

The Shares to be granted to the Employees will be existing Shares to be purchased in the open market by a custodian (the "Custodian") to be appointed by the Company and/or new Shares to be issued by the Company upon subscription by the Custodian. The Shares to be granted to the Directors will be existing Shares to be purchased in the open market by the Custodian. Where new Shares are to be subscribed by the Custodian, the Subscription Price shall be (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the Shares; or (iii) the nominal value of the Shares (whichever is the greatest). Funding for the purchase of or subscription for the relevant Shares will be provided by the retained earnings of the Company or its subsidiaries and shall be funds legally available for such purpose in accordance with the relevant company's constitutional documents and the laws of the jurisdiction in which the relevant company is incorporated or otherwise established. The Shares will be held by the Custodian for the benefit of the relevant Grantees pending fulfilment of the conditions imposed by the Company when the Shares are granted. Once the conditions are fulfilled, the Shares will be released by the Custodian to the Grantees unconditionally within 30 days.

(4) Maximum Number of Shares

- (a) The maximum number of Shares which may be granted under the New Scheme, when aggregated with any Shares subject to any other existing scheme of the Company, is 91,844,723 Shares or 2.5% of the Shares of the Company in issue as at the date of approval of the New Scheme excluding any Shares issued pursuant to the New Scheme and any other existing scheme.
- (b) No new Shares shall be granted to any Employee or Director if the number of Shares granted under the New Scheme when added to the number of Shares which may be granted to the Employee or Director under any other existing scheme granted to such Employee or Director would in any 12-month period up to and including the date of grant exceed 10% of the total number of Shares in issue which may be granted under the New Scheme, provided such number shall be adjusted in such manner as the Auditors shall certify to be appropriate in the event of the consolidation, subdivision or reduction of the share capital of the Company, any issue of Shares credited as fully paid up by way of capitalisation of profits or reserves or any issue of Shares by way of rights.

(5) Pari Passu

The Shares to be granted pursuant to the New Scheme will be subject to all the provisions of the Bye-Laws and will rank pari passu in all respects with the existing issued Shares on the date the Custodian is registered as the holder of the Shares and will not rank for a dividend previously declared or proposed to be paid to the holders of Shares on the register on a record date prior to the date of grant of the Shares.

(6) The Number of Shares to be granted to Employees and Directors and Loss of Eligibility

- (a) Granting of Shares to Employees

At the beginning of each performance cycle, the Board shall determine the length of the performance cycle, the performance conditions appropriate to the business objectives of the Company, the number of Shares to be granted to each Employee, the allocation of the grant between Shares with and without performance conditions, and the vesting period, if any. The Employee Grantees will normally become entitled to the Shares only after remaining employed for the specified performance cycle or vesting period and only if the vesting and/or performance conditions are met. If an Employee Grantee leaves the Company during the aforesaid period (except in the case of normal retirement, disability, or death), his/her conditional entitlement to those Shares will lapse and the Shares will be made available for other Employees which may be granted Shares pursuant to the New Scheme. If performance targets on the performance conditions are only partially achieved or not achieved, some or all of the conditional entitlement to the Shares will lapse. No dividends are payable on Shares which have been granted conditionally and not yet vested.

(b) Granting of Shares to Directors

At the beginning of each financial year, the Board shall determine the vesting conditions, the number of Shares to be granted to each Director and the vesting period, if any. The Director Grantee will normally become entitled to the Shares only after holding his/her directorship in the Company for the vesting period. If a Director Grantee resigns from his/her directorship during the aforesaid period (except in the case of disability or death), his/her conditional entitlement to those Shares will lapse. No dividends are payable on shares which have been granted conditionally and not yet vested. No Director is involved in deciding his/her own grant of Shares.

(7) Approval of the Stock Exchange

The grant of any new Shares to be issued for subscription by the Custodian under the New Scheme is subject to the Company having obtained from the Stock Exchange (or any other relevant stock exchange on which the securities of the Company may be listed) the granting of the listing and permission to deal in such Shares as may be allotted and issued pursuant to the New Scheme.

(8) Life of the New Scheme

The maximum life of the New Scheme will be 10 years. Subject to the approval and adoption as aforesaid, the New Scheme will be effective on the Effective Date and have a term of 10 years to expire on 31st July 2019. No Shares may be granted under the New Scheme after 31st July 2019, however, the vesting or performance cycles of Shares granted prior to that date may extend beyond that date.

(9) Alteration

The New Scheme may be altered in any respect by resolution of the Board except with regard to the provisions of the New Scheme referred to here:-

- (a) terms and conditions which are of a material nature or terms of Shares granted except where the alterations take effect automatically under the existing terms of the New Scheme; or
- (b) authority of the Board in relation to any alteration to the terms of the New Scheme;

except with the prior sanction of:

- (i) a resolution of the Company in general meeting in which any persons to whom or for whose benefit Shares may be granted under the New Scheme and their associates shall abstain from voting on the resolution; and
- (ii) the approval from the Stock Exchange.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the new Shares that may fall to be issued upon the grant of the New Scheme.

The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate to be granted to the Directors of the Company.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,673,788,920 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, would accordingly result in up to 367,378,892 Shares, representing 10% of the Shares in issue, being repurchased by the Company during the course of the period ending on the earliest of the date of the annual general meeting in 2010, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for the purpose in accordance with its Memorandum of Association and Bye-Laws and the laws of Bermuda.

The Company is empowered by its Memorandum of Association and Bye-Laws to repurchase its Shares and Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

In the event that the Repurchase Mandate is approved by Shareholders, the Directors have no immediate plans to exercise the authority conferred upon them in respect of the repurchase by the Company of its own Shares. However, the Directors wish to obtain the necessary authority in order to give themselves flexibility to engage in share repurchases should they consider it to be in the best interests of the Company, although the circumstances in which this may arise cannot yet be foreseen.

If, which is not presently contemplated, the Company was to repurchase its Shares up to the permitted maximum of 10% of its existing issued share capital as at the Latest Practicable Date immediately upon the general mandate being approved by Shareholders, it is likely that there would be a material adverse impact on the working capital position or gearing position of the Group in comparison to the position shown, as at 31st March 2009, in the Group's audited consolidated accounts. However, the Directors do not propose to use their authority to make any repurchases which would have a material adverse impact on the working capital or gearing position of the Group given the financial position of the Group at the time of the relevant repurchases, unless the Directors determine that such repurchases were, taking account of all relevant factors, in the best interests of the Company and its Shareholders.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

	Highest HK\$	Lowest HK\$		Highest HK\$	Lowest HK\$
June 2008	3.95	3.33	January 2009	2.04	1.34
July 2008	3.68	3.32	February 2009	1.73	1.39
August 2008	3.45	3.00	March 2009	1.66	1.05
September 2008	3.45	2.80	April 2009	2.02	1.42
October 2008	2.88	1.05	May 2009	2.33	1.70
November 2008	1.54	1.03	June 2009 (up to the Latest Practicable Date)	2.60	2.10
December 2008	1.51	1.14			

DISCLOSURE OF INTERESTS

None of the Directors, or to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention if the Repurchase Mandate is approved and exercised to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

As at the Latest Practicable Date, the members of the Wang family and the trustees of various trusts associated with the Wang family hold directly or indirectly 60.30% of the issued share capital of the Company. As at that date, 39.70% of the issued share capital of the Company was in the hands of the public.

If, which is not presently contemplated, the Company was to repurchase Shares up to the permitted maximum of 10% of its existing issued share capital as at the Latest Practicable Date from the public shareholding, the percentage shareholding of the members of the Wang family and the various Wang family trusts would increase to 67.00%. To the best knowledge of the Directors, these situations would not give rise to any consequences under the Takeovers Code and at least 25% of the issued share capital of the Company would still remain in the public hands.

No other connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved and exercised.

SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this document except in connection with the share purchase for the Scheme for eligible Employees.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Johnson Electric Holdings Limited (the “Company”) will be held at The Harcourt Suite, 1st Floor, The Hong Kong Club, 1 Jackson Road, Central, Hong Kong on Wednesday, 29th July 2009 at 11:00 a.m. for the following purposes:

1. To receive and adopt the Audited Consolidated Accounts and the Reports of the Directors and of the Auditor for the year ended 31st March 2009;
2. To re-elect the following Directors:
 - (a) Ms. Winnie Wing-Yee Wang as an executive director;
 - (b) Mr. Austin Jesse Wang as an executive director;
 - (c) Mr. Oscar de Paula Bernardes Neto as an independent non-executive director;
3. To confirm the fees of Directors;
4. To re-appoint Auditor and to authorise the Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“THAT:

- (a) the Long-Term Incentive Share Scheme (a copy of which has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved and adopted; and
 - (b) the Directors of the Company be and are hereby authorized to implement the same and to grant shares and to issue and allot additional shares of the Company up to 2.5% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution pursuant thereto.”;
6. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c), the exercise by the Directors of the Company during the relevant period of all the powers of the Company to issue, allot and dispose of additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorize the Directors of the Company during the relevant period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the relevant period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to

- (i) a Rights Issue; or

- (ii) the exercise of options granted under the Company's Share Option Scheme,

shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“relevant period” means the period from the passing of this Resolution until whichever is the earliest of

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable law of Bermuda to be held; and

- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in a general meeting; and

“Rights Issue” means an offer of shares or other securities to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“THAT:

- (a) the exercise by the Directors during the relevant period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases by the Company pursuant to the approval in paragraph (a) during the relevant period, shall be no more than 10% of the aggregate nominal amount of the existing issued share capital of the Company, at the date of the passing of this Resolution, and the authority pursuant to paragraph (a) shall be limited accordingly;
 - (c) for the purposes of this Resolution, “relevant period” means the period from the passing of this Resolution until whichever is the earliest of
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable law of Bermuda to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in a general meeting.”;
8. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“**THAT** conditional upon the passing of Ordinary Resolutions numbered 6 and 7 as set out in the Notice convening this meeting, the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate shall be added by an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted by the resolution set out as Resolution No. 7 in the notice convening this meeting, provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”.

By Order of the Board

Susan Chee-Lan Yip
Company Secretary

Hong Kong, 26th June 2009

Notes:

1. A Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a Shareholder of the Company. A form of proxy is enclosed. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person.
2. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Hong Kong Head Office of the Company at 12 Science Park East Avenue, 6/F, Hong Kong Science Park, Shatin, New Territories, Hong Kong not less than 48 hours before the time appointed for holding of the Meeting.
3. As at the date of this circular, the Board of Directors of the Company consists of:

Executive Directors

Patrick Shui-Chung Wang (*Chairman and Chief Executive*)

Winnie Wing-Yee Wang (*Vice-Chairman*)

Richard Li-Chung Wang

Austin Jesse Wang

Non-Executive Directors

Yik-Chun Koo Wang (*Honorary Chairman*)

Peter Kin-Chung Wang

Peter Stuart Allenby Edwards*

Patrick Blackwell Paul*

Oscar de Paula Bernardes Neto*

Laura May-Lung Cha*

Michael John Enright*

* *Independent Non-Executive Director*