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## **Johnson Electric Holdings Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

### **Announcement**

#### **Business and Unaudited Financial Information for the First Quarter of Financial Year 2014/15**

This announcement is made by Johnson Electric Holdings Limited ("Johnson Electric" or the "Company") for the business operations and selected unaudited financial information of the Company and its subsidiaries (the "Group") for the quarter ended 30 June 2014.

The board of directors of the Company considers the publication of quarterly performance updates to be consistent with international corporate disclosure best practice. The objective of this announcement is to provide transparency and to ensure that investors and potential investors receive equal access to the same information at the same time.

The Group's sales for the quarter ended 30 June 2014 were US\$548 million, an increase of US\$30 million from the same quarter last year. Sales, excluding currency effects, increased by US\$23 million (4.5%) compared to the same quarter last year.

The underlying changes in sales, excluding currency effects, compared to the same quarter last year were as follows:

- **By Business:**
  - Automotive Products Group ("APG") increased by 5.3%
  - Industry Products Group ("IPG") increased by 2.7%
  
- **By Region:**
  - Asia increased by 8.7%
  - Europe increased by 5.9%
  - Americas declined by 4.0%

**Automotive Products Group:** Excluding currency effects, APG's sales for the quarter ended 30 June 2014 increased by US\$19 million (5.3%) compared to the same quarter last year. This sales growth was largely driven by increased demand for our products for powertrain cooling, engine air management, electric parking brake, electric power steering, and window-lift applications. This was slightly offset by lower sales in the Americas of products for heating, ventilation and air-conditioning and seat adjuster applications.

**Industry Products Group:** Excluding currency effects, IPG's sales for the quarter ended 30 June 2014 increased by US\$4 million (2.7%) compared to the same quarter last year. IPG's ability to deliver unique technology solutions drove growth in sales of products for medical devices and floor care applications and various solenoid products, partially offset by reduced sales of products for home entertainment and business machines.

Commenting on the first quarter's sales performance and on the overall outlook for the current financial year, the Chairman and Chief Executive, Dr. Patrick Shui-Chung Wang, said, "Johnson Electric made a solid start to the 2014/15 financial year in what continues to be a rather lacklustre global macro-economic environment. The Company is investing aggressively to strengthen its global operating footprint with a number of new facilities in various stages of construction, start-up and expansion. As previously announced, these longer term growth initiatives, combined with the recurring headwind of rising labour costs in China, mean that operating margins and net profits in the current financial year are expected to be somewhat lower than the high levels achieved in the prior year. Johnson Electric's financial condition is very strong and I am confident that the Group is strategically well positioned to deliver attractive returns to shareholders over the medium to longer term."

#### **Cautionary Statement**

Shareholders and potential investors in the Company are reminded that the information provided in this announcement, including information related to the expected outlook for the full year, is based on the Group's unaudited internal records and management accounts. This information has not been reviewed or audited by the Company's auditors.

**Shareholders and potential investors should exercise caution when dealing or investing in the shares of the Company.**

#### **Board of Directors**

As of the date of this announcement, the board of directors of the Company comprises Patrick Shui-Chung Wang, Winnie Wing-Yee Wang, Austin Jesse Wang being the Executive Directors and Yik-Chun Koo Wang, Peter Kin-Chung Wang being the Non-Executive Directors and Peter Stuart Allenby Edwards, Patrick Blackwell Paul, Michael John Enright, Joseph Chi-Kwong Yam and Christopher Dale Pratt being the Independent Non-Executive Directors.

By Order of the Board  
**Johnson Electric Holdings Limited**  
**Lai-Chu Cheng**  
*Company Secretary*

Hong Kong, 9 July 2014

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