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Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: **179**)

VOLUNTARY ANNOUNCEMENT

ISSUE OF U.S.\$300,000,000 4.125% NOTES DUE 2024

The Board is pleased to announce that the Company has, on 22 January 2019, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes.

The Notes will be denominated in U.S. dollars, will be due in 2024 and will bear a fixed interest rate of 4.125% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 99.402% of the principal amount of the Notes.

The net proceeds from the Offering is estimated to be approximately U.S.\$297,531,000 after deducting underwriting fees and expenses. The Company intends to use the net proceeds from the issue for general corporate purposes, refinancing and to extend its debt maturity profile.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the paragraph headed

"Subscription Agreement" below for further information. As the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that the Company has, on 22 January 2019, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Notes. Subject to completion of the Subscription Agreement on the Closing Date, the Company will issue the Notes in the aggregate principal amount of U.S.\$300,000,000. The Notes will be denominated in U.S. dollars, will be due in 2024 and will bear a fixed interest rate of 4.125% per annum during its term with interest payable semi-annually in arrear. The issue price of the Notes will be 99.402% of the principal amount of the Notes.

Application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) only, and such permission is expected to become effective on or about 31 January 2019.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Joint Lead Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Notes in an aggregate principal amount of U.S.\$300,000,000.

Conditions to completion of the Subscription Agreement

The obligations of the Joint Lead Managers to subscribe and pay for the Notes (or to procure subscribers to subscribe and pay for the Notes) are conditional upon, among other things:

- (a) the Company procuring certain legal opinions, auditors' comfort letters and other relevant documents to be delivered to the Joint Lead Managers;
- (b) the execution and delivery (on or before the Closing Date) of the Fiscal Agency Agreement and Deed of Covenant by the respective parties; and
- (c) the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Notes.

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive satisfaction of any of the conditions precedent as stated in the Subscription Agreement.

Termination of the Subscription Agreement

The Joint Lead Managers may, by notice to the Company given at any time prior to payment of the net proceeds of the issue of the Notes to the Company, terminate the Subscription Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) any of the representations and warranties given by the Company contained in the Subscription Agreement is breached or rendered untrue or incorrect in any respect;
- (b) the Company fails to perform any of its obligations under the Subscription Agreement;
- (c) any of the conditions precedent contained in the Subscription Agreement is not satisfied or waived by the Joint Lead Managers on the Closing Date; or
- (d) the occurrence of any event or series of events (including, but not limited to, the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) which would, in the view of the Joint Lead Managers, be likely to prejudice materially the success of the Offering or distribution of the Notes as described in the Offering Circular.

Use of proceeds

The net proceeds from the Offering is estimated to be approximately U.S.\$297,531,000 after deducting underwriting fees and expenses. The Company intends to use the net proceeds from the issue for general corporate purposes, refinancing and to extend its debt maturity profile.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed, shareholders of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the following respective meanings unless the context requires otherwise:

"Board"	the board of directors of the Company
"Closing Date"	30 January 2019, or such later date as the Company and the Joint Lead Managers may agree in the Subscription Agreement
"Company"	Johnson Electric Holdings Limited, a limited liability company incorporated in Bermuda, the ordinary shares of which are listed and traded on the Stock Exchange
"Deed of Covenant"	the deed of covenant given by the Company in favour of the holders of the Notes
"Fiscal Agency Agreement"	the fiscal agency agreement to be entered into by the Company and The Hongkong and Shanghai Banking Corporation Limited

"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Joint Lead Managers"	Citigroup Global Markets Limited and The Hongkong and Shanghai Banking Corporation Limited
"Notes"	the 4.125% notes due 2024 in the principal amount of U.S.\$300,000,000 to be issued by the Company
"Offering"	the offering of the Notes
"Offering Circular"	the offering circular dated 22 January 2019 issued by the Company in connection with the Offering
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the subscription agreement dated 22 January 2019 entered into among the Company and the Joint Lead Managers in relation to the subscription for the Notes and the Offering
"United States" or "U.S."	United States of America
"U.S.\$"	United States dollars, the lawful currency of the United States

By Order of the Board
JOHNSON ELECTRIC HOLDINGS LIMITED
Lai-Chu Cheng
Company Secretary

Hong Kong, 23 January 2019

As of the date of this announcement, the Board of Directors 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.

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