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Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: **179**)

Fourth Quarter Sales Outlook Update

Since Johnson Electric Holdings Limited (“Johnson Electric” or the “Company”) published its third quarter business and financial update on 15 January 2020, the situation concerning the impact of the COVID-19 health emergency on the Company’s manufacturing operations and supply chain in China has continued to evolve. The objective of this announcement is to provide shareholders and potential investors with an update on that impact based on the latest available information.

The Company’s first priority is to ensure the health and safety of our employees, the local communities where we operate, and the partners – customer and suppliers – with whom we do business. Our health, safety and human resources specialists are working diligently to help protect our employees in accordance with the guidance of local health authorities. The Company is also making donations to support the broader relief and containment effort in China.

As various COVID-19 related government restrictions on business operations, movement of people and transportation have begun to be lifted in different areas of China in the period following the Chinese Lunar New Year holiday, the Company has made encouraging progress in the resumption of its manufacturing and assembly operations in the country. Nonetheless, based on the ongoing quarantine measures in force and the speed at which our employees are able to return to work, a full return to normal levels of operations (including that of our local supply base) is not expected for several more weeks and the situation is likely to continue to remain fluid. In other parts of the world, Johnson Electric’s manufacturing operations have so far been unaffected and continue to operate normally.

In the Company’s third quarter sales update announcement in January it was noted, based on trends and information available at the time, that total sales for the second half of the financial year were expected to exceed that of the first half. Excluding currency movements, full year total sales were at that time projected to be slightly below that of the prior year.

Given the unanticipated impact of COVID-19 on production activity in China since late January, and notwithstanding the gradual return towards normal production levels, we now anticipate – again based on current available information – that Johnson Electric’s sales in the fourth quarter of its current financial year ending 31 March 2020 will be approximately US\$60 million to US\$80 million lower than was anticipated in early January. Sales in the second half of the financial year are expected to be between 2% to 3% lower than the first half. Hence, full year reported sales are expected to be approximately US\$3.1 billion. Excluding currency movements, this represents a decrease of approximately 3% to 4% compared to the prior financial year.

As conditions related to COVID-19 evolve globally, Johnson Electric will continue to act to protect the health of our employees and other stakeholders during this difficult period.

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 comprises Patrick Shui-Chung WANG, Winnie Wing-Yee MAK WANG, Austin Jesse WANG being the Executive Directors and Yik-Chun WANG KOO, Peter Kin-Chung WANG being the Non-Executive Directors and Peter Stuart Allenby EDWARDS, Patrick Blackwell PAUL, Michael John ENRIGHT, Joseph Chi-Kwong YAM, Christopher Dale PRATT and Catherine Annick Caroline BRADLEY being the Independent Non-Executive Directors.

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

Hong Kong, 4 March 2020

Johnson Electric is one of the constituent stocks on the Hang Seng Composite MidCap Index under the Hang Seng Composite Index, the Hang Seng Corporate Sustainability Benchmark Index, the China Exchanges Services (CES) Belt and Road Index, the Bloomberg World Index and the S&P Europe Pacific Asia Composite (EPAC) SmallCap Index. For further information, please visit www.johnsonelectric.com.