
**THIS CIRCULAR IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for New Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including applicable procedures or any other similar formalities.



Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE 2021 INTERIM DIVIDEND**

DEFINITIONS

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

“2021 Interim Dividend”	the interim dividend of 17 HK cents (equivalent to 2.18 US cents) per Share for the year ending 31 March 2022 payable to Shareholders whose names appeared on the Company’s register of members on the Record Date;
“Board”	the board of directors of the Company;
“CCASS”	the Central Clearing and Settlement System;
“Closing Time”	the closing time for the return of the completed Election Form to the Share Registrar, being 4:30 pm on Thursday, 23 December 2021;
“Company”	Johnson Electric Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Election Form”	the form of election for use by Shareholders who wish to receive the 2021 Interim Dividend wholly or partly in New Shares instead of in cash and, where applicable, to make a Permanent Election;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Market Value”	the price for converting cash dividend to scrip under the Scrip Dividend Scheme, as described in paragraph 2.2 on page 5 of this circular;
“New Share(s)”	new fully paid Share(s) to be issued under the Scrip Dividend Scheme;
“Overseas Shareholder(s)”	Shareholder(s) who are resident in jurisdictions outside Hong Kong;
“Permanent Election”	election made by a Shareholder to receive new Shares instead of cash in respect of all future dividends to be paid by the Company for which a scrip alternative is available for such Shareholder’s entire registered holding of Shares held on the relevant record date(s);

DEFINITIONS

“Record Date”	Thursday, 2 December 2021, being the date for determining Shareholders’ respective entitlements to the 2021 Interim Dividend;
“Scrip Dividend Scheme”	the scheme under which the eligible Shareholders may elect to receive the 2021 Interim Dividend wholly or partly by the allotment of New Shares instead of in cash;
“Share(s)”	ordinary share(s) of the Company;
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the branch Share registrar of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States” or “US”	United States of America or any of its territories or possessions; and
“%”	per cent.

TIMETABLE

A timetable summarising the events in relation to the 2021 Interim Dividend is set out below:

Event	Date
Last date cum-2021 Interim Dividend	Thursday, 25 November 2021
Ex-2021 Interim Dividend date	Friday, 26 November 2021
Latest time for lodging transfer documents of the Share in order to be qualified for the 2021 Interim Dividend	4:30 pm on Monday, 29 November 2021
Closure of the Company's register of members for the purpose of determining Shareholders' respective entitlements to the 2021 Interim Dividend	Tuesday, 30 November 2021 to Thursday, 2 December 2021 (both dates inclusive)
Record Date	Thursday, 2 December 2021
Closing Time <i>(Note 1)</i>	4:30 pm on Thursday, 23 December 2021
Despatch of dividend warrants and/or definitive certificates for the New Shares	Wednesday, 12 January 2022
Expected first day of dealings in the New Shares	Thursday, 13 January 2022 (subject to the proper receipt of definitive certificates for the New Shares by the relevant Shareholders)

Notes:

- (1) If a Typhoon Signal No. 8 or above is hoisted, a Black Rainstorm Warning Signal is in force or "extreme conditions" resulting from a typhoon or a rainstorm are announced by the Hong Kong government at, or at any time prior to, 4:30 pm on Thursday, 23 December 2021, the Closing Time will be extended as set out in paragraph 3 of the Letter from the Board of this circular.
- (2) References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 179)

Board of Directors

Executive Directors

Patrick Shui-Chung WANG *JP*

Chairman and Chief Executive

MAK WANG Wing-Yee Winnie

Vice-Chairman

Austin Jesse WANG

Non-Executive Directors

WANG KOO Yik-Chun

Honorary Chairman

Peter Kin-Chung WANG

Peter Stuart Allenby EDWARDS[#]

Patrick Blackwell PAUL *CBE, FCA*[#]

Michael John ENRIGHT[#]

Joseph Chi-Kwong YAM *GBM, GBS, CBE, JP*[#]

Christopher Dale PRATT *CBE*[#]

Catherine Annick Caroline BRADLEY *CBE*[#]

[#] *Independent Non-Executive Director*

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8 December 2021

Dear Shareholders,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2021 INTERIM DIVIDEND

1. INTRODUCTION

On 11 November 2021, the Board declared the 2021 Interim Dividend of 17 HK cents (equivalent to 2.18 US cents) per Share, which will be payable in cash with a scrip alternative to Shareholders whose names appeared on the Company's register of members on the Record Date. Pursuant to the Scrip Dividend Scheme and subject to the terms set out in this circular, the eligible Shareholders have the right to elect to receive the 2021 Interim Dividend in New Shares instead of in cash, or partly in New Shares and partly in cash.

LETTER FROM THE BOARD

To encourage Shareholders' reinvestment of their dividends into Shares, the Board has approved to offer a 4% discount on the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days commencing on 26 November 2021 (being the first day that the Shares were traded ex-dividend) for Shareholders who elect the scrip alternative.

Shareholders have the right to choose to receive new Shares instead of cash for all future dividends to be paid by the Company if a scrip alternative is available to them, until they revoke such election by notice in writing to the Share Registrar.

The scrip alternative will enable Shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs.

To the extent that Shareholders elect to receive new Shares, the Company will benefit by retaining the cash as working capital which would otherwise be payable by way of dividends.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

2.1 Options

Under the Scrip Dividend Scheme, Shareholders have the following alternative choices in respect of the 2021 Interim Dividend.

- (a) in cash; or
- (b) by way of an allotment of New Shares at the Market Value (except for adjustments for fractions) equal to the total amount of the 2021 Interim Dividend that such Shareholder would otherwise be entitled to receive in cash; or
- (c) partly in cash and partly in New Shares.

For the purpose of determining Shareholders' respective entitlements to the 2021 Interim Dividend, the Company's register of members was closed from Tuesday, 30 November 2021 to Thursday, 2 December 2021 (both dates inclusive). The latest time by which transfers were accepted for registration for entitlement to the 2021 Interim Dividend was 4:30 pm on Monday, 29 November 2021.

2.2 Market Value

The Market Value for the issue of each New Share will be equivalent to 96% of the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days commencing on 26 November 2021 (being the first day that the Shares were traded ex-dividend). The said average closing price was HK\$17.46. Therefore, the Market Value for the calculation of the scrip entitlement is HK\$16.76.

At the time the Market Value was set, the Company had no information that was not publicly available that would have, or would be likely to have, had a material adverse effect on the realizable price of the New Shares if the information was publicly available.

LETTER FROM THE BOARD

2.3 Basis of Allotment of New Shares

The number of New Shares which an eligible Shareholder electing a scrip alternative will receive in respect of the 2021 Interim Dividend to which he/she is entitled will be calculated as follows:

$$\begin{array}{l} \text{Number of New Shares} \\ \text{to be received (rounded} \\ \text{down to the nearest} \\ \text{whole number)} \end{array} = \begin{array}{l} \text{Number of Shares held} \\ \text{at the Record Date for} \\ \text{which election for New} \\ \text{Shares is made} \end{array} \times \frac{\begin{array}{l} \text{2021 Interim Dividend per Share} \\ \text{(17 HK cents)} \end{array}}{\text{Market Value (HK\$16.76)}}$$

Fractional entitlements to the New Shares will not be issued and the residual dividend entitlement, if any, will be paid in cash (rounded down to the nearest cent) to the relevant Shareholders.

3. ELECTION FORM

If you wish to receive the 2021 Interim Dividend wholly in cash, you do not need to take any action.

If you elect to receive the 2021 Interim Dividend wholly in New Shares, or partly in cash and partly in New Shares, you should use the enclosed Election Form. If you sign the Election Form but do not specify the number of Shares for which you wish to receive New Shares or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on the Record Date, you will be deemed to have elected to receive New Shares only in respect of ALL the shares of which you were then registered as the holder.

The enclosed Election Form enables Shareholders who wish to receive the 2021 Interim Dividend wholly or partly in New Shares. The Election Form also enables Shareholders to permanently elect to receive all future dividends to be paid by the Company for which a scrip alternative is offered by the Company.

Shareholders who have previously made a Permanent Election will not receive an Election Form. If you wish to revoke your Permanent Election to receive wholly cash or partly cash and partly New Shares, please inform the Company's Share Registrar by notice in writing before Closing Time.

Election Form should be completed in accordance with the instructions printed thereon and returned to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong before the Closing Time.

The Closing Time will be extended, as the case may be, in accordance with (a) or (b) below if a Typhoon Signal No. 8 or above is hoisted, a Black Rainstorm Warning Signal is in force or "extreme conditions" resulting from a typhoon or a rainstorm are announced by the Hong Kong government in Hong Kong:

- (a) at any time before 12:00 noon on Thursday, 23 December 2021. In such a case, the Closing Time will be extended to 5:00 pm on the same business day; or
- (b) at any time between 12:00 noon and 4:30 pm on Thursday, 23 December 2021. In such a case, the Closing Time will be extended to 4:30 pm on the next business day (excluding Saturday) where none of the above signals is hoisted or in force at any time between 9:00 am and 4:30 pm.

LETTER FROM THE BOARD

No acknowledgement of receipt of the Election Form will be issued. No election in respect of the 2021 Interim Dividend may, after the Election Forms are signed and returned to the Share Registrar in accordance with the instructions printed on them, be in any way withdrawn, revoked, superseded or altered.

4. CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Department of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be issued pursuant to the Scrip Dividend Scheme. If this condition is not satisfied, the 2021 Interim Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under the provisions of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt about how these provisions may affect them as a result of the issue of the New Shares under the Scrip Dividend Scheme are recommended to seek their own professional advice.

6. SHAREHOLDERS RESIDING OUTSIDE HONG KONG

The participation in the Scrip Dividend Scheme by Overseas Shareholders may be affected by the laws of their relevant jurisdictions.

US Shareholders will not be permitted to participate in the Scrip Dividend Scheme and they will receive the 2021 Interim Dividend wholly in cash. The Board has made enquiries in respect of that jurisdiction and considered such exclusion to be necessary and expedient pursuant to Rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange. US Shareholders are therefore not 'qualifying shareholders' for the purposes of the Scrip Dividend Scheme. No Election Form is being sent to such Shareholders.

Save for US Shareholders, all Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for New Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of the cash dividend must also comply with any restrictions on the resale of the Shares which may apply outside Hong Kong. It is a term of this offer of New Shares under the Scrip Dividend Scheme that this offer is made in compliance with the laws of Hong Kong and all other relevant codes, rules and other requirements relating to the offer that apply in Hong Kong. Overseas Shareholders residing in a jurisdiction where their participation in the Scrip Dividend Scheme is not permitted under the law of that place will be deemed to have received this circular and/or an Election Form for information only.

LETTER FROM THE BOARD

7. LISTING AND DEALINGS

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the New Shares. It is expected that the dividend warrants and/or, subject to the Stock Exchange's approval of the above application, definitive certificates for the New Shares will be despatched by ordinary mail to the respective Shareholders concerned at their own risk on Wednesday, 12 January 2022. The New Shares will, on issue, rank equally in all other respects with the existing Shares save that they will not be eligible for the 2021 Interim Dividend.

Subject to the proper receipt of definitive certificates for the New Shares by the relevant Shareholders, dealings in the New Shares on the Stock Exchange are expected to commence on Thursday, 13 January 2022.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. There is no other stock exchange on which the Shares are listed or dealt in or on which listing or permission to deal is being or proposed to be sought.

8. GENERAL

Whether or not it is to your advantage to elect to receive New Shares instead of cash, in whole or in part, in respect of the 2021 Interim Dividend and, where applicable, to receive new Shares instead of cash in respect of all future dividends to be paid by the Company, will depend upon your own individual circumstances. The decision in this regard and all effects resulting from your decision are solely your responsibility. If you are in any doubt as to what to do, you should consult your professional advisers as to the action you should take and whether or not you are permitted to receive the 2021 Interim Dividend in scrip form or if any government or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether an election to receive New Shares is within their powers and the effect of such election having regard to the terms of the relevant trust instrument.

The New Shares issued to Shareholders pursuant to an election to receive some or all of their 2021 Interim Dividend in New Shares may be allocated in odd lots (of fewer than a board lot of 500 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the New Shares to be issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

LETTER FROM THE BOARD

If you are a non-registered Shareholder, i.e. your Shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive the Election Form. If you wish to (i) receive New Shares instead of cash, in whole or in part, in respect of the 2021 Interim Dividend, (ii) receive new Shares instead of cash in respect of all future dividends to be paid by the Company or (iii) revoke your Permanent Election, please contact your intermediary or nominee directly.

Yours faithfully,

On behalf of the Board

Johnson Electric Holdings Limited

Lai-Chu CHENG

Company Secretary